



San Francisco Law Library

No. 76945

Presented by

EXTRACT FROM BY-LAWS

Section 9. No book shall, at any time, be taken from the Library Room to any other place than to some court room of a Court of Record, State or Federal, in the City of San Francisco, or to the Chambers of a Judge of such Court of Record, and then only upon the accountable receipt of some person entitled to the use of the Library. Every such book so taken from the Library, shall be returned on the same day, and in default of such return the party taking the same shall be suspended from all use and privileges of the Library until the return of the book or full compensation is made therefor to the satisfaction of the Trustees.

Sec. 11. No books shall have the leaves folded down, or be marked, dog-eared, or otherwise soiled, defaced or injured. Any party violating this provision, shall be liable to pay a sum not exceeding the value of the book, or to replace the volume by a new one, at the discretion of the Trustees or Executive Committee, and shall be liable to be suspended from all use of the Library till any order of the Trustees or Executive Committee in the premises shall be fully complied with to the satisfaction of such Trustees or Executive Committee.

ORIGINAL

Docketed?

No. 3614

~~1281~~ United States

1282

Circuit Court of Appeals

For the Ninth Circuit.

T. S. VINCENT, A. RAMSTED, J. M. JOHANSEN,
A. B. EKLOV, K. J. LINDSTROM, V. KUKUS-
KIN, G. REIN, PHILIP NORRISON, A. H. RAY-
MILLER, L. DEPPMAN, W. B. RICHARDS, C. W.
INGEBRETSEN, W. CLAY, A. KRISHLAUK, J.
BIGGINS, E. V. KAJASLAMPI, ANTONIO
MULET, J. ANDERSEN, JAMES W. OREE and
GEORGE WILLIAMS,

Appellants and Cross-Appellees,

vs.

THE UNITED STATES OF AMERICA, and PACIFIC
MAIL STEAMSHIP COMPANY, a Corporation,
Appellees and Cross-Appellants.

Apostles on Appeal.

Upon Appeal from the Southern Division of the
United States District Court for the
Northern District of California,
First Division.

FILED

JAN 27 1921

F. D. MONCKTON,
CLERK.

United States
Circuit Court of Appeals
For the Ninth Circuit.

T. S. VINCENT, A. RAMSTED, J. M. JOHANSEN,
A. B. EKLOV, K. J. LINDSTROM, V. KUKUS-
KIN, G. REIN, PHILIP NORRISON, A. H. RAY-
MILLER, L. DEPPMAN, W. B. RICHARDS, C. W.
INGEBRETSEN, W. CLAY, A. KRISHLAUK, J.
BIGGINS, E. V. KAJASLAMPI, ANTONIO
MULET, J. ANDERSEN, JAMES W. OREE and
GEORGE WILLIAMS,


Appellants and Cross-Appellees,

vs.

THE UNITED STATES OF AMERICA, and PACIFIC
MAIL STEAMSHIP COMPANY, a Corporation,
Appellees and Cross-Appellants.

Apostles on Appeal.

Upon Appeal from the Southern Division of the
United States District Court for the
Northern District of California,
First Division.



Digitized by the Internet Archive
in 2010 with funding from
Public.Resource.Org and Law.Gov

INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	Page
Answer to Libel.....	10
Answers to Interrogatories Propounded to Defendants.	15
Assignment of Errors (Respondents).....	60
Assignments of Error (Libelants).....	57
Certificate of Clerk U. S. District Court to Apostles on Appeal.....	63
Decree	53
DEPOSITIONS ON BEHALF OF LIBEL- ANTS:	
RAMSTAD, ANDREW G.	23
Cross-examination	33
Redirect Examination	45
EXHIBITS:	
Libelants' Exhibit No. 1—Letter Dated May 3, 1920, Pacific Mail Steamship Company to H. W. Hutton.....	65
Libelants' Exhibit No. 2—Letter Dated March 24, 1920, from Acting American Consul at Manila.....	66
Interrogatories Propounded to Defendants to be Answered Under Oath.....	10

Index.	Page
Judgment	53
Libel	3
Memorandum Opinion and Order to Enter a Decree in Accordance With Opinion.....	48
Minutes of Hearing of Issues and Order Sub- mitting Cause	17
Notice of Appeal by Libelants.....	56
Notice of Appeal by Respondents.....	58
Stipulation and Order Re Consolidation of Ap- peals	62
Stipulation as to Certain Facts.....	61
Stipulation as to Parts of Record to be Printed	1
Supplemental Memorandum Re Form of Final Decree	51
Transcript of Proceedings in Court.....	18

In the United States Circuit Court of Appeals for the
Ninth Circuit.

T. S. VINCENT et al.,
Libelants, Appellants and Appellees,
vs.

UNITED STATES OF AMERICA and PACIFIC
MAIL STEAMSHIP COMPANY,
Defendants, Appellants and Appellees.

Stipulation as to Parts of Record to be Printed.

It is hereby stipulated that the following parts of the record shall be printed for the consideration of the above court on the appeals:

1. The libel and interrogatories.
2. The answer and answers to interrogatories.
3. The deposition of Ramstad.
4. The transcript of proceedings in lower court.
5. The stipulation as to a certain fact.
6. The minutes of hearing of issues and order submitting cause in lower court.
7. The memorandums of opinion (two).
8. The decree.
9. The notices of appeal (two).
10. The assignments of error (two).
11. The certificate to the apostles on appeal.
12. Print Libelant's Exhibits Nos. 1 and 2.
13. Print the full title and caption in the first paper printed; omit in all others and insert (Title of Court and Cause).
14. Where verifications appear omit, and insert (Duly Verified).

15. The Stipulation and order consolidating appeals.

Dated January 17, 1921.

H. W. HUTTON,
Proctor for Libellants, and Appellants, and
Appellees T. S. Vincent et al.

FRANK M. SILVA,
U. S. Atty.,

E. M. LEONARD,
Asst. U. S. Atty.

Proctors for United States of America.

CHAS. J. HEGGERTY,
Proctor for Pacific Mail Steamship Company,
Defendant, Appellee and—

[Endorsed]: No. 3614. In the Southern Division of the District Court of the United States for the Northern District of California, First Division. In Admiralty. T. S. Vincent et al., Libellants, etc., vs. United States of America et al. Stipulation as to Parts of Record to be Printed. Filed Jan. 17, 1921. F. D. Monckton, Clerk. By Paul P. O'Brien, Deputy Clerk.

In the Southern Division of the District Court of the
United States, Northern District of California,
First Division.

IN ADMIRALTY—(No. 16,845).

T. S. VINCENT, A. RAMSTED, J. M. JOHAN-
SEN, A. B. EKLOV, K. J. LINDSTROM, V.
KUKUSKIN, G. REIN, PHILIP NORRI-
SON, A. H. RAYMILLER, L. DEPPMAN,
W. B. RICHARDS, C. W. INGEBRETSEN,
W. CLAY, A. KRISHLAUK, J. BIGGINS,
E. V. KAJASLAMPI, ANTONIO MULET,
J. ANDERSEN, JAMES W. OREE and
GEORGE WILLIAMS,

Libelants,

vs.

THE UNITED STATES OF AMERICA and PA-
CIFIC MAIL STEAMSHIP COMPANY,
Defendants.

(**Libel.**)

To the Honorable M. T. DOOLING, Judge of the
Above-entitled Court.

The libel of the libelants in the caption hereof
named, seamen, against The United States of Amer-
ica, a nation and owner of capital stock and against
Pacific Mail Steamship Company, agent and ship
owner and operator, in a cause of wages, civil and
maritime alleges as follows:

I.

That United States Shipping Board, and Emer-

gency Fleet Corporation, are both corporations organized and existing under and by virtue of Acts of the Congress of the United States, and are both capital stock corporations, and on all of said dates and times the United States of America owned all of the capital stock of each of said corporations, and now owns the same.

II.

That Pacific Mail Steamship Company, on all of said dates and times, was and now is a corporation, organized and existing under and by virtue of the laws of the State of New Jersey, and on all of said dates and times it had and now has a general agent in the city and [5*] County of San Francisco, State of California, and a general Office therein located.

III.

That on all of the dates and times herein mentioned, the steam vessel "Jacox" was and now is an American vessel and engaged in the Merchant service of the United States of America, and was owned by one of the corporations named in paragraph I hereof, and jointly operated by the said corporation so owning the same and defendant Pacific Mail Steamship Company, that which of said corporation named in paragraph I owned and so jointly operated said vessel neither of the libelants know.

IV.

That heretofore and on the 13th day of December, 1919, libelants were hired and employed by the said

*Page-number appearing at foot of page of original certified Apostles on Appeal.

corporations so operating said vessel, at the port of San Francisco, State of California, to serve as seamen on said vessel "Jacox," on a voyage from said San Francisco described in Shipping Articles signed by the master of said vessel and each of libelants before the United States Shipping Commissioner at said Port of San Francisco, as follows: "From the Port of San Francisco, California to Manila P. I. for final discharge, for a term of time not exceeding six (6) calendar months." That said Shipping Articles were upon a printed blank, and *and* the above underscored portios of the description of said voyage was written in, and the remaining portion thereof was upon the said shipping articles as printed by the printer who printed said blanks.

V.

That attached to said shipping articles and forming a part thereof was the following:

"Officers, including steward and radio operator, shall receive first-class transportation, and wages, remainder of crew second-class transportation, and wages, to San Francisco, upon [6] termination of the voyage."

VI.

That libelants so shipped in the following capacities, and at the following rates of wages:

Philip Morrison as boatswain, at the wages of \$95.00 per month.

Libelants A. Ramsted, J. M. Johansen, A. B. Eklov, E. J. Lindstrom, C. W. Ingebretsen and E. V. Kagaslampi as able seamen, at the wages of \$90.00 per month.

Libelants A. Krishlauk, L. Deppman and Antonio Mulet as firemen, at the wages of \$90.00 per month.

Libelants V. Kukuskin, J. Biggins and G. Rein as oilers, at the wages of \$90.00 per month.

Libelants W. Clay and J. Andersen as wipers, at the wages of \$90.00 per month, and T. S. Vincent as messman, at the wages of \$80.00 monthly.

Libelants A. H. Raymiller and W. B. Richards as ordinary seamen, at the wages of \$65.00 per month, and George Williams as cook, at the wages of \$110.00 per month, and James W. Oree as second cook, at the wages of \$90.00 per month.

VII.

That each of the libelants went on board and into the service of said vessel in the capacities aforesaid on said 13th day of December, 1919, and in due course said vessel proceeded to sea with each so on board, and first went to Honolulu, Hawaiian Islands, and from there to Sydney and from there to Newcastle, Australia, all in violation of said Shipping Articles, and from said Newcastle to said Manila, where she arrived on the 28th day of February, 1920, and on the 29th day of said February, their term of service having expired, libelants each left said vessel and demanded each of their wages up to that time; that said vessel was then in a position of safety, but the master thereof refused to pay said wages, and the operators also refused to pay the same, but thereafter and on the 3d day of March, 1920, they paid each of the libelants sums which with what had theretofore been paid equalled one-half of what each had earned up to the 29th day [7] of February, 1920, and

thereupon demanded of each of the libelants that he proceed in said vessel in said capacities from said Manila to Hongkong, in China, which each refused to do, and no other or further sum was paid to any of said libelants at said Manila, or at all, until the 26th day of April, 1920, at San Francisco, California, where libelants proceeded in the manner hereinafter shown. That the said operators of said vessel hired and employed other men to take libelants' places on said vessel on the 4th day of March, 1920, and with such other men said vessel left Manila for Hongkong on the 6th day of March, 1920.

XI.

That the master and said operators of said vessel refused to furnish transportation for any of the libelants from said Manila to said San Francisco, the cost of which was \$244.00 for each of said libelants, and libelants were sent from said Manila to said San Francisco by the customs authorities at said Manila to said San Francisco, as destitute seamen upon the United States Army Transport "Thomas," but each was compelled to work as a seaman on such passage, they so arriving in said San Francisco on the 21st day of April, 1920, and by agreement the said operators of said vessel were to pay libelants \$2.75 per day each for board and lodging at Manila, where libelants were 23 days prior to starting for said San Francisco, but the operators of said vessel refused to pay any of said sum, and on the voyage of said vessel from said Newcastle to Manila, no potatoes were furnished to any of the libelants for 12 days because there was none on board of said vessel and no

sift bread was furnished for ten days and no substitutes were given therefor.

X.

That at said Manila libelants were each compelled to purchase their own food and pay for a place of abode for a further period of three days, to wit, on the 29th day of February, and the 1st and 2d days of March, 1920, which [8] at the time of said hiring it was agreed should be paid for in the event of the same not being furnished on said vessel at the rate of \$2.75 per day for each libelant, none of which has been paid, and that during said voyage libelant George Williams worked 29 hours' overtime on said vessel by order of her steward, his superior officer thereon, for which the operators of said vessel agreed to pay at the rate of sixty cents per hour, but none has been paid, and at said Manila the master and said operators of said vessel refused to either discharge or pay any of the libelants except as aforesaid.

XI.

By reason of the premises, libelants each claim to be entitled to have and receive of defendants herein wages for two days at the rates aforesaid for each of the days from the 4th day of March to the 26th day of April, 1920, to wit, 52 days at double pay for failure to pay them their wages on said 4th day of March, 1920, and also the sum of \$244.00 each for failure to furnish transportation as aforesaid, and the further sum of \$71.50 each for food and lodging as aforesaid, and one dollar per day each for each of the days they were short of potatoes and bread as aforesaid, and libelant George Wallace claims the additional amount aforesaid for overtime worked, to wit, \$17.40, none

of which sums having been paid.

XII.

That all and singular the premises are true and within the admiralty and maritime jurisdiction of the United States and of this Honorable Court.

WHEREFORE libelants pray that process in due form of law according to the course of this Honorable Court in cases of admiralty and maritime jurisdiction may issue against defendant Pacific Mail Steamship Company, and that it may therein be cited to appear and answer under oath all and singular the premises aforesaid, and that the defendants herein may each be required to so answer the premises [9] aforesaid, and that this Honorable Court may be pleased to decree the payment of the amounts aforesaid with costs and interest, and that each of the libelants may have such other and further relief as the court is competent to give in the premises.

JAMES W. OREE. T. S. VINCENT.

A. H. RAYMILLER. A. RAMSTED.

G. REIN. C. W. INGREBRETSEN.

V. KUKUSKIN. W. CLAY.

J. ANDRESEN. PHILLIP MORRISON.

B. EKLOV. K. J. LINDSTROM.

J. M. JOHANSEN. E. V. KAJASLAMPI.

A. KRISHLAUK. GEORGE WILLIAMS.

J. BIGGINS. W. B. RICHARDS and

A. MULET. L. DEPPMAN.

By H. W. HUTTON,

Their Proctor.

H. W. HUTTON,

Proctor for Libelants.

[Duly verified.] [10]

Interrogatories Propounded to Defendants to be Answered Under Oath.

1. Why were libelants not paid their wages in Manila?

2. Did not the "Jacox" carry a cargo of coal from Newcastle, New South Wales, to Manila, consigned to Macondry and Company at Manila?

3. On what day did a crew go on board of the "Jacox" at Manila to supersede libelants?

4. Why was not transportation furnished libelants from Manila to San Francisco?

H. W. HUTTON,
Proctor for Libelants.

[Endorsed]: Filed Apr. 30, 1920. W. B. Maling,
Clerk. By C. W. Calbreath, Deputy Clerk. [11]

[Title of Court and Cause.]

Answer to Libel.

To the Honorable M. T. DOOLING, Judge of the
United States District Court in and for the
Southern Division of the Northern District of
California, First Division, in Admiralty:

The United States of America, owner of the
steamship "Jacox," in answer to the libel of T. S.
Vincent et al. on file in the above-entitled proceed-
ings, represented herein by Annette Abbott Adams,
United States Attorney for the Northern District
of California, comes now by and through E. M.
Leonard, Assistant United States Attorney, who
states that he has information and belief regarding
said libel, and upon such information and belief,

and making answer thereto, denies and alleges as follows: [12]

I.

Answering Article I: Alleges that the United States of America is and was the owner of said SS. "Jacox" on all of the times mentioned in said libel said SS. "Jacox" was being operated and managed by the Pacific Mail Steamship Company as agent at all of said times.

II.

Answering Article II of said Libel: Denies that the Pacific Mail Steamship Company is a corporation organized and existing under and by virtue of the laws of New Jersey.

III.

Answering Article III: Denies that on all of the dates and times in the said libel mentioned that the said SS. "Jacox" was owned and jointly operated by the United States of America or any corporation organized under and by virtue of acts of Congress of the United States of America, and defendant Pacific Mail Steamship Company, and alleges that said vessel at all of said times was owned by the United States of America and operated by Pacific Mail Steamship Company as agent.

IV.

Answering Article IV: Alleges that notwithstanding the contents of shipping articles of said SS. "Jacox" as set forth in said libel, it was contemplated by all parties concerned, including libelants herein, that the voyage of said vessel was for a period not to exceed six months, and included the

ports of Sidney, Australia, Hongkong, China; and that the crew of said vessel were to be finally discharged at Manila, Philippine Islands.

V.

Answering Article V: Alleges that the provision of said shipping articles referred to in said article of said libel contemplated a return of said crew from Manila, P. Is., [13] to San Francisco after final discharge and after voyage to Hongkong had been completed.

VII.

Answering Article VII: Denies that said vessel first went to Honolulu, Hawaiian Islands, and from there to Sidney and from there to Newcastle, Australia, or in any manner in violation of said shipping articles, or that the voyage of said vessel from said Newcastle to said Manila was in any manner in violation of said shipping articles; denies that the term of service of said libelants had expired on the 29th day of February, or that said term of service did expire or it would or did expire until June 13, 1920.

VIII.

Answering Article IX: Alleges that if said voyage had been completed as contemplated by all parties concerned, the master and operators of said vessel would have furnished transportation for said libelants in accordance with said shipping articles, and denies that the cost for transportation for said libelants from Manila to San Francisco was \$244 for each of said libelants. As to whether or not each of said libelants as a destitute seaman aboard

the United States Army Transport "Thomas" was compelled to work as a seaman on such passage from Manila, Philippine Islands, to San Francisco, this affiant has not sufficient information, either to affirm or deny, and basing his denial upon said ground, denies said allegations and demands that full proof thereof be made; denies that by agreement said operators of said vessel agreed to pay libelants for board amounting to 23 days prior to starting for San Francisco from Manila; denies that on the voyage of said vessel from Newcastle to Manila no potatoes were furnished to any of said libelants for 12 days or for any time except when substitute therefor was provided as by law required; [14] denies that no sift bread was furnished for 10 days or for any time except when substitute thereof was provided as by law required.

X.

Answering Article X: As to whether or not at Manila libelants were each compelled to purchase their own food and/or pay for a place of abode for a further period of three days, to wit, on the 29th day of February, and/or the first and/or second days of March, 1920, as to whether or not libelant George Williams worked 29 hours' overtime on said vessel by order of her steward, this affiant has not sufficient information or belief whether to affirm or deny, and basing his denial upon that ground, denies each and all of said allegations, demands full proof thereof.

XI.

Answering Article XI: Denies that by reason of

the premises in said libel set forth or at all that libelants or any of them are entitled to have and/or receive of defendants wages for two days for each of the days from the 4th day of March to the 26th day of April, 1920, to wit, 52 days at double pay for failure to pay their wages on the 4th day of March, 1920, and denies that they are entitled to any double pay whatsoever for failure to pay their wages; denies that each or any of said libelants is entitled to \$244 or any sum for failure to furnish transportation or otherwise; denies that each or any of said libelants is entitled to \$71.50 or any other sum, for food and/or lodging, and denies that each or any of said libelants is entitled to one dollar per day or any days for being short of potatoes or bread, and denies that libelant George Williams is entitled to \$17.40 or any other sum for overtime work while in the employ of this defendant. [15]

XII.

As separate answer and defense to said libel on file herein, alleges that all of said libelants did on the 21st day of April, 1920, before the United States Shipping Commissioner at San Francisco, California, each for himself, by his own signature, release the owner of said vessel from all claims whatsoever by signing a mutual release in words and figures as follows, to wit:

MUTUAL RELEASE.

Form 713.

Dept. of Commerce,
Bureau of Navigation.
Shipping Service.

We, the undersigned, seamen on board the SS.

“Jacox” on her late voyage from San Francisco to ———, do hereby, each one for himself, by our signatures herewith given, in consideration of settlements made before the Shipping Commissioner at this port, release the master and owners of said vessel from all claims for wages in respect of the said past voyage or engagement, and I, master of said vessel, do also release each of the seamen signing said release from all claims, in consideration of this release signed by them.

Dated April 21, 1920.

PACIFIC MAIL S. S. CO.

By W. E. STANTON,

Master.

Attest as to said master and the ———, whose signatures appear below.

(Signed) S. W. TIBBS,

Deputy Shipping Commissioner.

—and further alleges that at the time of signing said Mutual Release each of said libelants were paid full compensation for services rendered by him up to and including the date of said signing.

Answers to Interrogatories Propounded to Defendants.

Answer to Interrogatory 1: Libelants were not paid their wages in Manila for the reason that they had been declared deserters by the United States Shipping Commissioner at Manila.

2.

Answer to Interrogatory 2: The “Jacox” did carry cargo of coal from Newcastle, New South

Wales, to Manila, consigned [16] to Macondray and Company at Manila.

3.

Answer to Interrogatory 3: As to interrogatory three, affiant has not at this time sufficient information to enable him to answer.

4.

Answer to Interrogatory 4: Transportation was not furnished libelants from Manila to San Francisco, for the reason that libelants had been declared deserters by the United States Shipping Commissioner at Manila and therefore not entitled to such transportation.

WHEREFORE this defendant prays that said libelant take nothing by the above-entitled cause, that said libel be dismissed, and that this defendant recover his costs and charges herein incurred, with such other relief as may be just.

ANNETTE ABBOTT ADAMS,

United States Attorney.

E. M. LEONARD,

Asst. United States Attorney. [17]

[Duly verified.]

[Endorsed]: Filed Jun. 21, 1920. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [18]

At a stated term of the District Court of the United States, for the Northern District of California, First Division, held at the courtroom thereof, in the City and County of San Francisco, State of California, on Monday, the ninth day of August, in the year of our Lord one thousand nine hundred and twenty. Present: The Honorable FRANK H. RUDKIN, Judge.

No. 16,845.

T. S. VINCENT et al.

vs.

UNITED STATES OF AMERICA.

(Minutes of Hearing of Issues and Order Submitting Cause.)

This cause came on regularly this day for hearing of the issues joined herein. H. W. Hutton, Esq., was present as proctor for libelant. E. M. Leonard, Esq., Asst. U. S. Atty., was present on behalf of the United States. Charles J. Heggerty, Esq., was present as proctor for Pacific Mail S. S. Co. Mr. Hutton introduced and filed deposition of Andrew G. Ramstad, and certain letters, which letters were marked Libelant's Exhibits 1 and 2, and thereupon rested cause on behalf of libelant. Mr. Leonard introduced in evidence and filed list of Commissary stores *re* S. S. "Jacox," which was marked Respondent's Exhibit "A," and thereupon rested cause on behalf of respondent and claimant. The cause

was then argued by the respective proctors and ordered submitted. [20]

[Title of Court and Cause.]

(Transcript of Proceedings in Court.)

Friday, August 6, 1920.

Counsel Appearing:

For the Libelants: H. W. HUTTON, Esq.

For the Respondents: E. M. LEONARD, Esq.,
Asst. U. S. Atty., CHARLES J. HEGGERTY,
Esq.

Mr. HUTTON.—This is an action brought by twenty seamen who shipped on the “Jacox” in San Francisco, on December 13th, last, for a voyage from San Francisco to Manila for final discharge. The vessel, instead of going to Manila, went to Honolulu, and then to Sydney, and then from Sydney to Newcastle and took a load of coal; from Newcastle she went to Brisbane, and from Brisbane to two other ports in succession, and finally reached Manila on the 28th of February of this year. The shipping articles contain a provision that at Manila the men were to receive their wages, and they were to receive a second-class [21] passage home. Upon arrival at Manila, the master of the ship, although their voyage was completed, insisted upon them going to Hongkong. The men declined to go unless he would enter into a new contract with them, which they had a right to do; it would be unlawful to take them out of Manila

otherwise. The master refused to do that. The result was that he declared them all to be deserters, paid them half their money, and left them to the tender mercy of the Consul there. After staying there until the 26th of March, they were sent back to San Francisco as destitute seamen, on the transport "Thomas." This action is for the statutory amount given to men when they are not paid in accordance with law, \$2 pay from the time they ought to have been paid to the time they were paid, and also for the value of second-class passage home—that was to be furnished to them but it was not furnished, and they had to work their way home; and also for some small minor amount for a shortage of potatoes for ten days, and also a shortage of bread for ten days; and also overtime, in the sum of \$17.50, for one of the men. The documents are on file. The answer to the libel practically sets up the same facts.

We have a deposition and some exhibits which I will offer in evidence.

The COURT.—What is the real issue in the case?

Mr. HUTTON.—The only issue in the case is that it was contemplated when these men signed these papers that they were to go anywhere. The Court of Appeals has passed upon that question.

They contend that the men signed a release when they got what money they could get after arriving in San Francisco. The Shipping Commissioner interested himself the best he knew how [22] and got what money he could and left it to them to sue for the rest. My contention is that the

release cuts no figure in this case.

I notified the Pacific Mail to produce a letter which I wrote; have you got it?

Mr. HEGGERTY.—No, but you have a copy.

Mr. HUTTON.—The Pacific Mail was the operator of the vessel under some agreement with the Shipping Board. It filed no answer. It is stipulated that the answer of the United States can stand as the answer of the Pacific Mail.

I offer this letter in evidence.

(The letter was here marked “Libelant’s Exhibit 1,” and is as follows:)

“May 3, 1920.

“Mr. H. W. Hutton,
Attorney-at-law,
527 Pacific Building,
San Francisco, Calif.

Subject: SS. “Jacox.”

Dear Sir:

Replying to your letter of the 27th instant on above subject, beg to advise that, in respect of this crew, that you are probably aware that we made a partial settlement and we now have the matter up with the Shipping Board, the owners of the vessel, regarding the points mentioned in your letter, and hope to hear from them in a day or so, when we will immediately advise you.

Very truly yours,

PACIFIC MAIL STEAMSHIP COM-
PANY,

By W. A. RAILTON,
Auditor and Assistant Secretary.”

I offer in evidence also a letter dated March 24, 1920, signed by some gentleman whose name I am unable to read, Acting American Consul at Manila, showing what was done in Manila about [23] the crew. It is dated some 24 days after the crew left.

(The letter was here marked "Libelant's Exhibit 2.")

There is an allegation in the libel that the Pacific Mail Steamship Company was a corporation organized under the laws of New Jersey. There is a denial that it was organized under the laws of New Jersey, but there is no denial that it is a corporation.

Mr. HEGGERTY.—It was organized under the laws of New York.

Mr. HUTTON.—Then it is conceded that it is a corporation organized under the laws of New York?

Mr. HEGGERTY.—Yes, it is conceded that it was organized as a corporation under the laws of New York.

Mr. HUTTON.—We rest now, so far as the testimony is concerned.

Mr. LEONARD.—If your Honor please, the defense has a witness with reference to the shortage of food proposition. We are prepared to show that the vessel was fully stocked in those commodities, bread and potatoes, when she left San Francisco. I understand that Mr. Hutton is willing to stipulate that that is so, that she was stocked considerably over the amount. I think, however, though, for the complete consideration of the case, your Honor ought to know what she did have, in order

to determine whether or not these complaints of the crew are worthy of consideration. I think it would be better to put the witness on and let him testify to that.

Mr. HUTTON.—I am willing to concede that she had an abundance of food on board when she left San Francisco, but the testimony shows that the potatoes gave out at Sydney, and that there was an opportunity to buy some potatoes at the [24] Island of Batavia, and the master refused to take any because the potatoes were too small.

Mr. LEONARD.—Will you stipulate that this is a list of the food put aboard her when she left San Francisco?

Mr. HUTTON.—Oh, yes, I am willing to stipulate to that.

Mr. LEONARD.—We will introduce this list, showing what she had on board. It is made by the Pacific Mail Steamship Company from the original papers.

The COURT.—Very well.

(The document was here marked “Respondent’s Exhibit ‘A.’ ”)

Mr. LEONARD.—I think it would be well, before counsel argues his side of the case, for us to state the points of the defense.

The COURT.—You have no further testimony?

Mr. LEONARD.—No, we have no further testimony.

(Thereupon the cause was argued and submitted for consideration.)

[Endorsed]: Filed Dec. 20, 1920. W. B. Maling, Clerk. By C. M. Taylor, Deputy Clerk. [25]

[Title of Court and Cause.]

Deposition of Andrew G. Ramstad, for Libelants.

BE IT REMEMBERED: That on Friday, July 30, 1920, pursuant to notice and stipulation of counsel hereunto annexed, at my office, Room 308 United States Postoffice and Courthouse Building, in the City and County of San Francisco, State of California, personally appeared before me Francis Krull, a United States Commissioner for the Northern District of California, authorized to take acknowledgments of bail and affidavits, etc., Andrew G. Ramstad, a witness called on behalf of the libelants.

H. W. Hutton, Esq., appeared as proctor for the libelants, and Charles T. Heggerty, Esq., appeared as proctor for the respondents, and the said witness having been by me first duly cautioned and sworn to testify the truth, the whole truth, and nothing but the truth in the cause aforesaid, did thereupon depose and say as is hereinafter set forth.

(It is hereby stipulated and agreed by and between the proctors for the respective parties that the deposition of the above-named witness may be taken *de bene esse* on behalf of the libelants at the office of Francis Krull, Room 208, [26] United States Post Office and Courthouse Building, in the

(Deposition of Andrew G. Ramstad.)

City and County of San Francisco, State of California, on Friday, July 30, 1920, before Francis Krull, a United States Commissioner for the Northern District of California and in shorthand by Charles R. Gagan.

(It is further stipulated that the deposition, when written up, may be read in evidence by either party on the trial of the cause; that all questions as to the notice of the time and place of taking the same are waived, and that all objections as to the form of the questions are waived unless objected to at the time of taking said deposition, and that all objections as to materiality and competency of the testimony are reserved to all parties.

(It is further stipulated that the reading over of the testimony to the witness and the signing thereof are hereby expressly waived.) [27]

ANDREW G. RAMSTAD, called for the libelants, sworn.

Mr. HUTTON.—Q. Your name appears in the proceedings here as “A. Ramstad”; you are the same man, are you? A. Yes, sir.

Q. What is your occupation? A. Seaman.

Q. How long have you been a seaman?

A. Seven years.

Q. What ship were you on last?

A. The “Mayfair.”

Q. When did you leave her?

A. I left her two days ago, the 27th.

Q. Are you expecting to go to sea again?

A. Yes, sir.

(Deposition of Andrew G. Ramstad.)

Q. Were you on the "Jacox"? A. Yes, sir.

Q. As a sailor? A. Yes, sir.

Q. After the "Jacox" left San Francisco where did she go? A. Honolulu.

Q. From there where did she go?

A. Sydney, Australia.

Q. And from there? A. Newcastle, Australia.

Q. And from there? A. To Brisbane.

Q. From Brisbane, where did she go?

A. Thursday Islands.

Q. Where did she go from there?

A. To Balak Papen, Batavia.

Q. And then? A. To Manila.

Q. Did she take any cargo on board at Newcastle? A. Yes, she took a full load of coal.

Q. I show you a paper. Is that the forecastle card of the "Jacox" on that voyage?

A. Yes, sir.

Mr. HUTTON.—I offer that in evidence.

(The document was here marked "Libelant's Exhibit, Ramstad, #1.")

Q. When you got to Manila, did the ship anchor or go alongside the dock at all?

A. She anchored in the harbor. [28]

Q. What did the captain say to you men, if anything?

A. The captain came forward and told me and another fellow that we would have to stay on the ship until she got to Hongkong, we could not get paid off there. I went aft and told the crew what the skipper had told me. We all went up to the

(Deposition of Andrew G. Ramstad.)

skipper and told him we wanted to get paid off, as the agreement was fulfilled. He said it was the order from the company, and so he could not do anything with it. Some of the sailors went ashore Saturday night, and a few went ashore on Sunday, as there was nothing to eat on board, and the balance of the crew went ashore on Monday and Tuesday.

Q. Do you remember what dates those were?

A. We arrived there the 28th of February.

Q. And it was the Saturday, Sunday, Monday and Tuesday closest to the 28th of February that these things happened; that is, some of them went ashore on the 28th, and some of them on the 29th, etc.?

A. Yes, sir.

Q. When you got ashore, did you see the captain again?

A. We went to the Shipping Commissioner, and we put the matter before him, and he didn't seem to understand it; he didn't seem to have the power to do anything.

Q. What did he say?

A. He called the captain and the agent of the company the next day. The crew was also there. We had a conference. We were willing to take the ship to Hongkong if they put a new agreement up, if they changed the articles. The captain said he could not do that; that we had to go on the same articles. We told him that if we were going on the same articles, we would have no right to claim our transportation back, as Manila was the final

(Deposition of Andrew G. Ramstad.)

port of discharge. There was a whole lot of dispute there, and we went to a few lawyers [29] there, but they all seemed to be employed by the Pacific Mail, and we—

Mr. HEGGERTY.—I object to that.

Mr. HUTTON.—Never mind about that.

Q. What else did the Shipping Commissioner tell you, if anything?

A. He didn't tell us anything. He didn't know what to do. He went to the Collector of Customs, and I and the delegate from the firemen were called to the Collector of Customs, and the Collector of Customs told me and this fireman that—

Mr. HEGGERTY.—We object to anything that was told him by the Collector of Customs, on the ground that it is hearsay.

Mr. HUTTON.—You have the right to object to that in court, Mr. Heggerty. Let him go on.

A. The Collector of Customs told us that if we did not take the ship to Hongkong we would be put in jail as deserters. We answered that if he thought he could put us in jail he could go ahead and do it, because we had fulfilled our contract by taking the ship to Manila. With that, he told us to leave the office. We never spoke to him again.

Q. Did you speak to the Shipping Commissioner again?

A. He was the Collector of Customs; the Shipping Commissioner was a Filipino under the Collector of Customs.

Q. There was some other Shipping Commissioner

(Deposition of Andrew G. Ramstad.)

there, though, wasn't there? A. Yes.

Q. What did he say about it?

A. He didn't have no power.

Q. What did he tell you?

A. He only asked us the reason why we could not take the ship to Hongkong, and we said that we could not very well do it, because the contract was fulfilled. They would not give us any money before the 3d of March; [30] then we got half of our wages. We signed off—no, we didn't sign off, we just had the pay bills for the money we received. Finally, we got the Shipping Commissioner to get us a hotel to stay in and provide us with subsistence. He paid for that. We have receipts to show for that.

Q. How did you get away from Manila?

A. We were there for 24 days, I believe, when we got orders to appear before the Shipping Commissioner; he told us we had to go back as deserters in the transport "Thomas." We objected to that, but we didn't see any other way to get out of Manila, but to do as he told us.

Q. I show you a paper. Did you ever see that paper before? A. Yes, sir.

Q. Did the different libelants sign that paper?

A. Yes, all the libelants signed that paper.

Q. What was done with the original of it? Did you give that to the Collector of Customs?

A. Yes, I believe it was given to him.

Q. Those signatures on there, are they the signatures of the libelants? A. Yes, sir.

(Deposition of Andrew G. Ramstad.)

Mr. HUTTON.—I offer that and ask to have it marked exhibit 2.

(The document was marked “Libelant’s Exhibit, Ramstad, #2.”)

Q. I show you another paper. Where did you get that?

A. We got that from the Shipping Commissioner to go up to the hospital and pass an examination to leave the port.

Q. Did you all go? A. Yes, sir.

Mr. HUTTON.—I offer this paper in evidence.

(The document was marked “Libelants’ Exhibit, Ramstad #3.”) [31]

Q. You came home on the “Thomas”?

A. Yes, sir.

Q. I show you these cards. Look at this paper. Where did you get that?

A. I got that aboard the transport “Thomas.” That is an identification card.

Q. Did each one of the crew get a similar card?

A. Yes, sir.

Mr. HUTTON.—I have a bunch of these, Mr. Heggerty.

Mr. HEGGERTY.—Are they identification cards on the transport “Thomas”?

Mr. HUTTON.—Yes. I offer these as one exhibit.

(The cards were here marked “Libelants’ Exhibit, Ramstad, #4”—4 cards.)

Q. How did you come home?

(Deposition of Andrew G. Ramstad.)

A. We were sent home as deserters, destitute seamen.

Q. Did you work on the way home?

A. Yes, we had to do one hour's work every second day.

Q. Did all of you work?

A. Yes. We also had to dish out food to the soldiers.

Q. When you got to San Francisco did you go to the Shipping Commissioner? A. Yes, sir.

Q. Just state what happened there.

A. We had a letter from a lawyer in Manila to the Shipping Commissioner in San Francisco about the case; we went to see the Shipping Commissioner in San Francisco; he said he was going to look into the matter. The only thing he did was to give us straight time from the time we left there until we got to San Francisco.

Q. Did you sign a receipt for that?

A. We signed a receipt for the pay we received.

Q. Did the Shipping Commissioner tell you anything before you signed it?

A. We asked him if this was the final discharge, [32] and he said, "No, you have a right to sue for anything you think you are liable to get, for anything you think you have against the company." There were five of us there when he said that.

Q. On the whole voyage, what kind of food did you get on the ship?

A. On the 2d day out from San Francisco I was complaining to the skipper about the bread; we

(Deposition of Andrew G. Ramstad.)

didn't get no bread for a day or two. He told me that if I didn't like the ship I could go ashore at Honolulu. So far as the steward was concerned, he said he had nothing to say, the skipper was running that part of the ship. We had a few complaints to the skipper going down to Sydney. After leaving Sydney we were short of bread and potatoes for about ten days altogether on the trip from Sydney to Manila.

Q. How was it about the potatoes?

A. He pulled into Balak Papen, Batavia, for provisions, and he also took some oil there. He got some potatoes and bread, and he sent them ashore again, because he said they were too small to eat. He got about a basketful from some American ship lying there. We were without potatoes for about ten days between Sydney and Manila. And the same with bread, we didn't have bread for ten days, either.

Q. Do you know what the name of the steward was? A. No, I don't remember.

Q. Do you know what these are?

A. McDonald—that is the name.

Q. What are these papers?

A. The Steward's Department papers; overtime of the stewards.

Q. Are those what the men get on those ships when they work overtime?

A. I don't know anything about those.

Q. With respect to going to Hongkong, your belief was that [33] if you got to Hongkong they

(Deposition of Andrew G. Ramstad.)

could not send you from Hongkong, but that they had to send you from Manila—I mean send you home; is that correct?

A. Well, I don't know. We were supposed to go to Manila. We got there. We thought if we left Manila we would not have any claim for transportation after leaving Manila.

Mr. HUTTON.—I offer these for what they are worth; they are signed, apparently, by the steward; they are overtime sheets for George Williams, chief cook.

(The documents were marked "Libelants' Exhibit, Ramstad, #5." Two sheets.)

Q. What is this?

A. That is the receipt from the hotel we were staying at. That is my own. Each individual had his own receipt.

Q. What was to be paid for your hotel in Manila—your board?

A. They paid 4 pesos a day for us; that is \$2 American money. Our agreements with the ship owners—between the Sailors' Union and the ship owners—is that we shall have \$2.75 for subsistence money; so we claim 75 cents extra for the time we were in Manila, because they did not pay more than 4 pesos.

Q. What position did you hold on board with reference to the crew?

A. I was representing the sailors; I was the delegate of the sailors.

(Deposition of Andrew G. Ramstad.)

Q. The sailors usually pick out one man for that purpose, do they?

A. The members of the deck department pick out their delegate on board the ship to handle the overtime, and if there is any complaint he shall go and see the man in charge about it.

Cross-examination.

Mr. HEGGERTY.—Q. Where did you get this forecastle card, [34] Exhibit 1, Mr. Ramstad?

A. That is put up in the forecastle when we are leaving port, when we sign on.

Q. And where did you get it?

A. We took it from the forecastle, as we thought it might come in handy for us, because our contract was fulfilled, and we were entitled to that forecastle card.

Q. This is posted in the forecastle by the ship, is it? A. Yes, sir.

Q. And is the card required by law to be posted and remain posted there?

A. It is not to remain there after the trip is finished.

Q. But it belongs to the ship. It is required by law to be posted in the forecastle?

A. Yes; it was in the forecastle until we left it.

Q. And when you left the ship you tore this card off and took it with you, did you? A. Yes, sir.

Q. Who tore it off?

A. I don't know exactly who tore it off.

Q. Some of the sailors?

(Deposition of Andrew G. Ramstad.)

A. Some of the crew did, yes.

Q. Where did you get it?

A. It was delivered to me to bring it up to the lawyers.

Q. Who gave it to you, what member of the crew?

A. We had it lying around in the fore-castle and I picked it up in the mess-room.

Q. Don't you know what member of the crew took it down?

A. No, I could not say that for certain.

Q. And you have had it ever since, have you?

A. Yes. We gave it to the lawyer here in San Francisco on our arrival here.

Q. You said that the crew was willing to go from Manila to Hongkong if they would give them new articles.

A. That is what we explained to the skipper in Manila.

Q. What kind of articles did you ask for?

A. They have to sign a contract; they have to put up new articles, because that article was already fulfilled. [35]

Q. I mean what kind of articles. Was it just only to Hongkong for final discharge?

A. No, they would not give us any agreement at all what it was going to be; the skipper said he wanted to take us to Hongkong and then take us back to Manila again.

Q. You said that the sailors were willing to sign new articles to go to Hongkong and come back to

(Deposition of Andrew G. Ramstad.)

Manila again, provided that you had the transportation back to San Francisco and provided in the original articles. Was that your arrangement?

A. If we can arrange to take the ship to Hongkong and then get transportation back to Manila and then to San Francisco, it would not make any difference to us.

Q. And you told him you would be willing to do that?

A. Yes, the whole crew told him they would be willing to do that.

Q. And he told you he had no power to do that?

A. He was not willing to do it; he said he could not do that.

Q. And that was the reason why you didn't go on to Hongkong, was it, because you believed that you thereby forfeited your right to transportation back to San Francisco as agreed in the original articles?

A. Yes.

Q. You were paid at Manila how much money?

A. We got half of the wages we had earned up to that day.

Q. That was the 28th of February, wasn't it?

A. Yes.

Q. Anything else?

A. No; we only got that. The Shipping Commissioner stood good for our subsistence money.

Q. In other words, you got the subsistence and you didn't pay for it; the Shipping Commissioner paid for it; he stood good for it, did he?

(Deposition of Andrew G. Ramstad.)

A. Yes, because he said we were there as desert-ers.

Q. What I mean is this: You didn't pay anything for subsistence in Manila, did you?

A. No. [36]

Q. Then you went on the transport "Thomas" under the conditions you have stated?

A. Yes; we expected to get a fairer trial here in San Francisco in the case than we could get down there. We went to a couple of lawyers down there, but they were all employed by the Pacific Mail.

Q. I didn't ask you that. I ask that that be stricken out. Didn't the Shipping Commissioner tell you that it was your duty to stay by the ship and go to Hongkong?

A. No, he didn't tell us that. He told us that so far as he could see we had the right to get paid off there.

Q. Did the master tell you that if you went to Hongkong he would bring you back to Manila for final discharge, or send you back there?

A. Well, I guess he did say that, yes. He said that, but we claimed that after leaving Manila we had no right to anything in the contract previously put up between the master and the crew.

Q. And did the Commissioner advise you on that, or did the master, saying you would not forfeit your rights in any way going to Hongkong?

A. No, they didn't say anything about that.

Q. Do you know anything about the Shipping Commissioner having certified at Manila that you

(Deposition of Andrew G. Ramstad.)

were deserters from the ship when you left?

A. No; he gave us a statement in Manila.

Q. In writing? A. Yes. Haven't you got that?

Mr. HUTTON.—I haven't got it here.

Mr. HEGGERTY.—Q. And the Shipping Commissioner gave you a statement in writing?

A. Yes.

Q. Do you remember in substance what that was?

Mr. HUTTON.—I will get it for you.

Mr. HEGGERTY.—All right. We will ask for that.

Q. You gave that to Mr. Hutton, did you?

A. Yes. [37]

Q. And that is the statement you refer to?

A. Yes, I believe it is.

Q. When you came to San Francisco, you say you had this letter from a lawyer in Manila to the Shipping Commissioner? A. Yes.

Q. Do you remember the name of that lawyer in Manila?

A. Farrell, I believe, is the name. You have that letter.

Mr. HUTTON.—I have the letter.

Q. Is that the letter?

A. Yes, that is the letter.

Mr. HEGGERTY.—It is Williams & Ferrier, by J. W. Ferrier.

Q. And you presented this to the Shipping Commissioner at San Francisco—this letter?

A. That was the copy of it; the original letter was sent to the Shipping Commissioner himself.

(Deposition of Andrew G. Ramstad.)

Q. To the United States Shipping Commissioner. And the United States Shipping Commissioner has it, so far as you know? A. Yes.

Mr. HEGGERTY.—We introduce this in evidence as a part of the cross-examination.

(The document was here marked “Respondents’ Exhibit ‘A.’”)

Q. When you arrived in San Francisco, the sailors were all paid off before the United States Shipping Commissioner here, as I understand you, straight pay from Manila to San Francisco?

A. Yes; we got whatever we had coming, straight pay from the time we left until we arrived here in San Francisco.

Q. And then you signed the mutual release in the Shipping Commissioner’s book, did you?

A. No, we only signed for the money we received. We did not sign no release whatsoever, either in Manila or in San Francisco.

Q. Didn’t you sign in the United States Commissioner’s book?

A. No, I don’t believe we did. We only signed the pay-roll for the Pacific Mail. [38]

Q. Didn’t you also sign in the Shipping Commissioner’s office what they call the mutual release?

A. No, we did not.

Q. Just try and see if you cannot remember that.

A. I can go up to the Shipping Commissioner and find out, but I am positive we did not sign anything except the pay-roll of the Pacific Mail, because I, myself, asked the Shipping Commissioner if we

(Deposition of Andrew G. Ramstad.)

signed this pay-roll if that stopped us from suing the company for the fare money, and he said, "No." There was present one fireman and myself and the boatswain and the chief cook.

Q. When you signed the articles here in San Francisco for this trip, did you know where the ship was bound for?

A. Not except the rumor about it, that she was going to Sydney. Our understanding was this, that she was running for the Oceanic Steamship Company to Sydney. The Oceanic Steamship Company had the ship before. Some of the members of the crew had made one trip before. It was our understanding that when she got to Sydney the Pacific Mail was going to take her over. That is the understanding we had.

Q. And bring her from there to what port?

A. To Manila, her final port of discharge. That is what the articles read to.

Q. And did you know, when you left here, that the ship was not to return to San Francisco, that she was going to remain over there?

A. Yes, we knew that.

Q. And did you know that Hongkong was the place where she was to remain?

A. No, we never heard about Hongkong before we got to Manila.

Q. Was the cargo of coal taken to Manila, or do you know whether it was taken for discharge at Hongkong? [39]

A. It was taken for discharge at Manila.

(Deposition of Andrew G. Ramstad.)

Q. And was it discharged there?

A. They discharged every bit of it right in Manila.

Q. Did you know, at the time, that this was a United States Shipping Board ship—I mean when you signed the articles here?

A. Yes, we knew it was a Shipping Board ship when we signed the articles. We also knew that the Oceanic Steamship Company had had her for—I don't know how long, but for a certain amount of time, and that the Pacific Mail was going to take her over when she got to Sydney. That is the understanding the crew had, every one of them.

Q. And on the way over on the "Thomas" you worked an hour a day?

A. Not every day; we were shifted into two sections, and when one gang was working the other one did not have to work. We had to check up the stores for the second class, and the third class, and the first class, we had to check up all the stores; and besides that, we had to dish out food for the soldiers.

Q. The transport was carrying soldiers back to San Francisco, was she? A. Yes, sir.

Q. Were you paid anything for any of those services at all?

A. No. We were called up to the Quartermaster's Department, and he told us that if we were willing to do the duty of a soldier, except the military duty, we would be treated as good as the soldiers, but if we did not do work it would make it

(Deposition of Andrew G. Ramstad.)

bad for us. That is the statement he gave in front of the whole crew. So we had a little conference by ourselves, and we came to the conclusion that it was better for use to go to work as he wanted us to do. We were conceded then the same as the soldiers; we were traveling in the same class as the soldiers. [40] The passage is \$22.50 for each man from Manila.

Q. The passage on the transport?

A. Yes; that is what I heard; that is what the ship's crew said.

Q. But none of them paid anything? A. No.

Q. You neither got any pay, nor did you pay anything?

A. No, we didn't pay anything; the Shipping Commissioner sent us aboard.

Q. The second day out from San Francisco you say there was no bread, or was it that there was some objection to the quality of the bread?

A. There was no bread.

Q. No bread at all? A. No, no bread at all.

Q. Was there any substitute for bread?

A. No. I complained to the steward, and he went and told the skipper, and the skipper called me up in his room and he asked what reason I had to complain about the bread. I told him that whenever we have reason we will complain, it doesn't matter what it is. He told me that if I didn't like the ship I could go ashore at Honolulu.

Q. Wasn't there any bread on the ship at all?

(Deposition of Andrew G. Ramstad.)

A. Yes, there was bread, but the skipper said the stove was not in commission. I told him he should look after that before he left San Francisco.

Q. Did you get no bread?

A. Oh, yes, we got bread the day after.

Q. The day after the complaint?

A. Yes; then we had bread all the way along, but many meals we didn't have no bread, but I guess that was more the fault of the cooks. After leaving Sydney we didn't have bread for more than half the passage, from Sydney up to Manila.

Q. Do you know the cause for that?

A. They claimed they did not have any yeast. That is the only reason they had. But that was not the fault of the crew. And also potatoes; I [41] reminded the skipper about the potatoes before leaving Newcastle, but he didn't answer me. As a matter of fact, it was not up to me to look after potatoes or anything else. I just told him in case he didn't know about it.

Q. And you say there were no potatoes from Newcastle?

A. We had certain meals some days, but altogether for about ten days we didn't have nothing, either bread or potatoes.

Q. During any of the meals? A. No.

Q. That is to say, during ten days, at none of the meals did you have any bread or potatoes?

A. About ten days altogether from leaving Sydney to Manila we didn't have any bread.

Q. At some meals you had and at some you had

(Deposition of Andrew G. Ramstad.)

not? A. At some we had and at some we had not.

Q. And that extended over a period of about ten days?

A. No, that extended over the whole trip; if you put all the meals together, it will make ten days, or something like that.

Q. And at some meals you had them, but at some you had not. Is that correct? A. Yes.

Q. And putting all the meals together at which you did not have bread or potatoes, or bread and potatoes, it would make a period of ten days, counting three meals a day? A. Yes, sir.

Q. So that, figuring the number of meals you were without bread or potatoes, it would be equivalent to ten days altogether—in other words, three meals a day for ten days? A. Yes, sir.

Q. Thirty meals at which you did not have potatoes or bread. Is that right? A. Yes, sir.

Q. But it would not be all in one day that you would not have bread or potatoes, would it?

A. The last four days before coming into Manila we did not have any potatoes at all, or no bread whatsoever. We got bread, but it was just like a stone, [42] nobody could eat it.

Q. You couldn't raise it?

A. No. The Sunday after we got to Manila—we got there on a Saturday—on Sunday at breakfast there was hardly anything to eat; we all had the intention of leaving the ship, as our agreement was up, but we could not go ashore unless we got paid off; only the men who had money went ashore; those

(Deposition of Andrew G. Ramstad.)

who did not have any money had to stay on board. We had to complain about the food on Saturday morning, there were neither bread or potatoes.

Q. That was in Manila? A. Yes.

Q. Do you remember the name of the hotel you went to?

A. The Washington Hotel, the Phoenix Hotel, and the Elite Hotel.

Q. How were the meals there—were they satisfactory?

A. Yes, the meals were satisfactory there.

Q. So that the subsistence you got in Manila was satisfactory to you?

A. We were all sent to the Elite first, but it was satisfactory to none of us; then we asked the Shipping Commissioner to change us, and some went to the Phoenix and others went to the Washington.

Q. And after that it was satisfactory?

A. Yes, sir.

Q. You said that you had an arrangement with some of the ship owners there, or with somebody, to pay you \$2.75 a day for subsistence.

A. That is the agreement here in San Francisco, between the crew and the ship owners, that \$2.75 a day shall be considered as subsistence money, including food and hotel—bed money.

Q. Is that in the original articles?

A. No, they never put that in the articles.

Q. That is the Sailors' Union Agreement with the ship owners? A. Yes. [43]

Q. And you say that the subsistence there at

(Deposition of Andrew G. Ramstad.)

those hotels was only costing \$2 instead of \$2.75?

A. Yes, sir.

Q. How do you know that?

A. We got our own receipts down from the hotel when we left.

Q. For \$2 a day? A. Yes.

Redirect Examination.

Mr. HUTTON.—Q. Did you say they discharged the cargo of coal that they took aboard at Newcastle at Manila? A. Yes, sir.

Q. Do you know on what date it was discharged?

A. No, I could not tell that exactly, as I left the ship the second day after she arrived there, but they started to discharge the coal on Monday morning; we came in on Saturday at five o'clock.

Q. And they started to discharge Monday morning at eight o'clock? A. Yes, sir.

Q. Do you know what day the ship left Manila?

A. I believe it was on the 5th or 6th of March.

Q. Did they have any trouble getting a new crew?

A. No—yes, I believe they had some trouble getting it, but I didn't know much about that.

Q. Did the ship leak?

A. No. Our understanding was this: When we got to Manila with the ship there would be a Chinese crew to take our place, as the ship was going to go over to China, or run between China and India, picking up freight for the bigger boats of the same company. That was our understanding.

Q. Who told you that?

A. Some of the officers. The third officer told me

(Deposition of Andrew G. Ramstad.)

that here in San Francisco—Leland. We all had that understanding about the ship.

Q. What Shipping Commissioner was it who told you that as far as he could see you had a right to be paid off in Manila?

A. The Shipping Commissioner at Manila told us that. [44]

Q. When did he tell you that?

A. When we were up there speaking to him about things. As a matter of fact, he didn't know what to do, but he said that by the articles we had the right to leave the ship. We also asked him if it would be right if we sent a telegram to the Shipping Commissioner here in San Francisco, and he agreed to that. He sent it to him. It cost about 42 pesos. We collected that from all the crew. We sent the telegram to MacArthur, but we received no answer.

United States of America,
State and Northern District of California,
City and County of San Francisco.

I certify that, in pursuance of stipulation of counsel, on Friday, July 30, 1920, before me, Francis Krull, a United States Commissioner for the Northern District of California, at San Francisco, at my office, Room 308 United States Post-office and Courthouse Building, in the City and County of San Francisco, State of California, personally appeared Andrew G. Ramstad, a witness called on behalf of the libelants in the cause entitled in the caption hereof; and H. W. Hutton, Esq., appeared as proctor for the libelants, and Charles T.

Heggerty, Esq., appeared as proctor for the respondents, and the said witness having been by me first duly cautioned and sworn to testify the truth, the whole truth, and nothing but the truth in said cause, deposed and said as appears by his deposition hereto annexed.

I further certify that the deposition was then and there taken down in shorthand notes by Charles R. Gagan, and thereafter reduced to typewriting; and I further certify that by stipulation [45] of the proctors for the respective parties, the reading over of the deposition to the witness and the signing thereof were expressly waived.

Accompanying said deposition and referred to and specified therein are Libelants' Exhibits, Ramstad, Nos. 1 to 5, inclusive, and Respondents' Exhibit "A.")

And I do further certify that I have retained the said deposition in my possession for the purpose of delivering the same with my own hands to the clerk of the United States District Court for the Northern District of California, the court for which the same was taken.

And I do further certify that I am not of counsel, nor attorney for either of the parties in said deposition and caption named, nor in any way interested in the event of the cause named in the said caption.

IN WITNESS WHEREOF, I have hereunto set my hand in my office aforesaid this 7th day of Aug., 1920.

FRANCIS KRULL, (Seal)

United States Commissioner, Northern District of California, at San Francisco. [46]

[Title of Court and Cause.]

**(Memorandum Opinion and Order to Enter a Decree
in Accordance With Opinion.)**

H. W. HUTTON, Esq., Proctor for Libelants.

FRANK M. SILVA, Esq., United States Attorney,
and E. M. LEONARD, Esq., Assistant United
States Attorney, Proctors for Respondents.

RUDKIN, District Judge.

On the 13th day of December, 1919, the libelants signed shipping articles before the United States Shipping Commissioner, at the Port of San Francisco, to serve as seamen on a voyage on the steam vessel "Jacox," described in the articles as follows:

"From the Port of San Francisco, California, to Manila, P. I., for final discharge for a term of time not exceeding six (6) calendar months."

The articles contained this further stipulation:

"Officers, including steward and radio operator, shall receive first-class transportation, and wages, remainder of crew second-class transportation, and wages to San Francisco, upon termination of the voyage."

On, or *seen* after the date of the articles, the vessel proceeded from San Francisco to Honolulu, thence to Sydney and New Castle, Australia, and thence to Manila, arriving at the latter port on February 28th, 1920. On the [49] following day the libelants left the vessel and demanded their wages, claiming that their term of service had expired.

This demand was not complied with, but on March 3d following the libelants were each paid one-half of the wages earned up to and including the 29th day of February. The master insisted that the libelants were obligated by the shipping articles to continue the voyage to Hongkong, China, but this they refused to do unless new articles were signed for such voyage. The master refused to sign new articles, claiming that he had no authority so to do. Later the libelants returned to San Francisco upon a Government transport, and, upon their return, were paid wages in full up to the date of their arrival at San Francisco and signed the customary release. In the present proceeding the libelants seek to recover the following additional sums:

1. Double pay from the 4th day of March to the 26th day of April, or 52 days in all, as a penalty for failure to pay the wages due at the expiration of the term of service;

2. The cost of second-class passage from Manila to San Francisco;

3. Ten dollars to each libelant for failure to furnish potatoes and a like sum for failure to furnish bread for a period of ten days in all;

4. Seventy-five cents per day for each day detained in Manila, being the difference between Two Dollars a day paid for their maintenance and Two Dollars and Seventy-five Cents a day agreed upon between the seamen and the ship owners; and

5. Seventeen Dollars and Fifty Cents for overtime to the libelant Williams. [50]

After a careful examination of the record and

briefs, I have reached the following conclusions:

1st. That the voyage terminated at Manila and that the respondents have failed to show sufficient cause for failure to pay the seamen the wages due them. They have therefore incurred the penalty imposed by law.

2d. That the libelants were entitled to transportation, second class, from Manila to San Francisco and not to the cost of such transportation. They were, in fact, transported free of charge on a Government transport, receiving the same treatment as was accorded to American soldiers, working only one hour every other day to secure certain privileges or better treatment. Under these circumstances they are not entitled to recover the cost of transportation.

3d. I think the testimony fairly establishes the fact that the libelants were not furnished potatoes for a period of about ten days, but there is a failure of proof as to the failure to furnish bread. The testimony on the latter point is uncertain and the complaint seems to go to the quality of the bread furnished rather than the failure to furnish bread at all.

4th. The maintenance furnished was satisfactory and was paid for by the respondents, so that I fail to see any basis for the recovery of seventy-five cents per day, the difference between the amount paid and the amount of maintenance agreed upon.

5th. There seems to be no defense to the claim for overtime on the part of the libelant Williams.

Let a decree be entered accordingly.

August 18th, 1920.

[Endorsed]: Filed Aug. 18, 1920. W. B. Maling,
Clerk. By C. W. Calbreath, Deputy Clerk. [51]

[Title of Court and Cause.]

**Supplemental Memorandum (Re Form of Final
Decree).**

H. W. HUTTON, for Libelants.

FRANK M. SILVA, United States Attorney, and
E. M. LEONARD, Assistant United States
Attorney, for Respondents.

RUDKIN, District Judge.

An interesting question is here presented involving the construction of Section 3 of the Act of March 4, 1915 (Section 8320, Comp. St. 1916), when applied to the peculiar facts of this case. On the final hearing the Court held that the voyage in question terminated at Manila that the respondents failed to show sufficient cause for their refusal to pay libelants the wages due them at that time, and thus incurred the penalty imposed by law. The extent of the penalty or the amount of the recovery, however, were not discussed or considered at that time. The libelants have submitted a decree awarding them double pay from the 4th day of March, 1920, to and including the 25th day of April, 1920, or 53 days in all. The respondents, on the other hand, have submitted a decree awarding single

wages only, from the 4th day of March, 1920, to and including the 25th day of April, 1920, which they compute as 52 days in all. The difference between the parties is therefore the difference between single and double pay and a difference of [52] one day in the computation of time. The facts which give rise to this difference are briefly these: Under the terms of the shipping articles the libelants were entitled to wages to San Francisco upon the termination of the voyage, and such wages have been in fact paid. If they are now awarded double pay for the same period the result will be that they have been thrice paid. If such is the intent and meaning of the statute the Court of course is not concerned with the result, but was such the legislative intent? While the statute is in a measure penal in its nature, there is also present the element of compensation to the seaman and the additional allowance is expressly made recoverable as wages. It seems to me, therefore, that equity and justice would require no more than the payment of double wages in all covering the period of default. The statute is a penal one and the courts have been disposed to construe it rather strictly. The suggestion of counsel for libelants that the pay allowed for the period of the return voyage to San Francisco was in fact pay for the original voyage does not appeal to me. The vessel on its departure did not expect to return to San Francisco and provision was therefore made for the payment of wages for the return voyage to the home port. The libelants were in fact, therefore, paid single wages until

their return to California and are not entitled to double wages now.

While the libel only claims the penalty for 52 days, it occurs to me that the computation made by the libelants is correct. The libelants should have been paid on the 3d day of March and on the 4th day of March became entitled to the penalty for the default. They also became entitled to the penalty accruing on each succeeding day up to and including the 25th day of April, which makes 53 days in all. The form of decree submitted by the respondents will therefore be signed when modified [53] so as to allow but one day's additional pay for the period of 53 days.

Let the proposed decree be reformed and submitted accordingly.

August 31st, 1920.

[Endorsed]: Filed Aug. 31, 1920. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk. [54]

[Title of Court and Cause.]

Decree.

This cause having been heard on the pleadings and proofs and the arguments and briefs of the respective parties, and the Court being fully advised, it is now ORDERED, ADJUDGED AND DECREED and this does ORDER, ADJUDGE AND DECREE, that for and on account of the matters set forth in the pleadings and shown by the proofs herein, that libelants have and recover, from the

defendants, United States of America, and Pacific Mail Steamship Company, the following sums respectively:

For the statutory penalty provided for the non-payment of seaman's wages, by Section 4529, Revised Statutes of the United States, from and including the 4th day of March, 1920, to and including the 25th day of April, 1920, fifty-three (53) days in all, as follows:

Libelant Phillip Morrison, the sum of one hundred sixty-seven dollars and eighty-three and one-third cents (\$167.83 $\frac{1}{3}$).

Libelant A. Ramstad, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant J. M. Johansen, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant A. B. Eklov, the sum of one hundred fifty-nine dollars (\$159.00). [55]

Libelant E. J. Lindstrom, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant C. W. Ingrobretses, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant R. V. Hagaslampi, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant A. Krishlauk, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant L. Deppman, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant Antonio Mulet, the sum of one hundred fifty-nine (\$159.00).

Libelant V. Kususkin, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant J. Biggins, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant G. Rein, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant W. Clay, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant J. Andresen, the sum of one hundred fifty-nine dollars (\$159.00).

Libelant T. S. Vincent, the sum of one hundred thirty-nine dollars and thirty-three and one-third cents (\$139.33 $\frac{1}{3}$).

Libelant A. H. Raymiller, the sum of one hundred fourteen dollars and eighty-three and one-third cents (\$114.83 $\frac{1}{3}$).

Libelant W. B. Richards, the sum of one hundred fourteen dollars and eighty-three and one-third cents (\$114.83 $\frac{1}{3}$).

Libelant George Williams, the sum of one hundred eighty-four dollars and thirty-three cents (\$184.33 $\frac{1}{3}$).

Libelant James W. Oree, the sum of one hundred fifty-nine dollars (\$159.00). [56]

Each of said libelants the further sum of ten (\$10.00) dollars for shortage of potatoes, for ten days.

Libelant George Williams the sum of seventeen 40/100 (\$17.40) dollars for overtime worked.

Together with their costs to be taxed.

Dated September 9th, 1920.

FRANK H. RUDKIN,
United States District Judge.

Receipt of copy of the within Decree is hereby admitted this 2d day of September, 1920.

H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Sep. 9, 1920. W. B. Maling, Clerk. By C. W. Calbreath, Deputy Clerk.

Entered in Vol. 10, Judg. and Decrees, at page 105. [57]

[Title of Court and Cause.]

(Notice of Appeal by Libelants.)

The defendants in the above cause and their proctors will please take notice, that libelants appeal to the United States Circuit Court of Appeals for the Ninth Circuit from the decree given and made in said cause by said district court, on the 9th day of September, 1920.

You will further take notice, that libelants desire only to review on said appeal the following questions.

The action of the said District Court in fixing the amount of the penalty for the nonpayment of their wages when they should have been paid in Manila, March 4th, 1920, to one day's pay per day for 53 days, instead of two days' pay per day for 53 days.

The action of the said District Court in deciding that libelants were not entitled to judgment for the sum of \$222.00 each the cost of a second-class passage from Manila to San Francisco.

Dated December 10th, 1920.

Yours, etc.,

H. W. HUTTON,

Proctor for Libelants.

Copy received this 10th day of December, 1920.

CHARLES J. HEGGERTY,

KNIGHT & HEGGERTY,

Proctor for Pacific Mail S. S. Co. [58]

Copy received this 10th day of December, 1920.

FRANK K. SILVA,

U. S. Atty.,

E. M. LEONARD,

Proctor for United States of America.

[Endorsed]: Filed Dec. 10, 1920. W. B. Maling,
Clerk. By C. W. Calbreath, Deputy Clerk. [59]

[Title of Court and Cause.]

Assignments of Error (Libelants).

1. The Court erred in not awarding to each of the libelants the cost of a second-class passage from Manila to San Francisco.

2. The Court erred in deciding that the wages paid each of the libelants upon his arrival in San Francisco were a credit upon the amount of the penalty owing by defendants to each of the libelants under section 4529 of the Revised Statutes of the United States.

3. The Court erred in not deciding that the wages paid to each of the libelants in San Francisco at the time of their arrival there from the voyage

they made on the "Jacox," from the time of the expiration of their contract of service on that vessel, was pay for time actually consumed and was not a credit on the statutory penalty for the failure to pay the wages payable in Manila.

H. W. HUTTON,

Proctor for Libelants.

Copy received this 13th day of —, 192—.

CHAS. J. HEGGERTY,

KNIGHT & HEGGERTY,

Proctor for Pacific Mail Steamship Co.

Copy received this 13th day of December, 1920.

FRANK M. SILVA,

U. S. Atty.

E. M. LEONARD,

Asst. U. S. Atty.,

Proctors for United States of America.

[Endorsed]: Filed Dec. 13, 1920. W. B. Maling,
Clerk. By C. W. Calbreath, Deputy Clerk. [60]

[Title of Court and Cause.]

Notice of Appeal by Respondents.

To Each of the Above-named Libelants and to
Their Proctor, H. W. Hutton.

You and each of you will please take notice that the United States of America, and Pacific Mail Steamship Company, defendants above named, and each of them, appeals from the final decree of court in this cause made and given in favor of the above-named libelants and against the above-named de-

fendants on the 9th day of September, 1920.

You will also please take notice that the above-named defendants desire only to review on appeal the following portions of said decree, to wit:

That portion of said decree which awards to each of said libelants seaman's wages from and including the 4th day of March, 1920, to and including the 25th day of April, 1920, that portion which awards to each of said libelants the sum of ten (\$10.00) dollars for shortage of potatoes for ten (10) [61] days, and that portion which awards to libelant George Williams the sum of seventeen dollars and forty cents (\$17.40) for overtime worked.

Dated: December 15, 1920.

FRANK M. SILVA,
United States Attorney.

E. M. LEONARD,
Asst. United States Attorney,
Proctors for United States of America.

KNIGHT & HEGGERTY,
Proctors for Pacific Mail Steamship Company.

Due service and receipt of the above Notice of Appeal is hereby admitted this fifteenth day of December, 1920.

H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Dec. 15, 1920. W. B. Maling,
Clerk. By C. M. Taylor, Deputy Clerk. [62]

[Title of Court and Cause.]

Assignment of Errors (Respondents').

The United States of America and the Pacific Mail Steamship Company, defendants above named, assign errors in the rulings and proceedings of the District Court herein as follows:

I.

That the Court erred in entering its decree awarding to each of said libelants penalty provided for non-payment of seaman's wages by Section 4529 of the Revised Statutes of the United States, from and including the 4th day of March, 1920, to and including the 24th day of April, 1920.

II.

That the Court erred in awarding to each of libelants the further sum of ten (\$10.00) dollars for shortage of potatoes for ten (10) days.

III.

That the Court erred in awarding to libelant George Williams the sum of seventeen dollars and forty cents (\$17.40) for overtime worked.

IV.

That the Court erred in awarding the costs to said libelants.

FRANK M. SILVA,

United States Attorney. [63]

E. M. LEONARD,

Asst. United States Attorney,

Proctor for United States of America.

KNIGHT & HEGGERTY,

Proctors for Pacific Mail Steamship Company.

Due service and receipt of the above Assignment of Errors is hereby admitted this fifteen day of December 1920.

H. W. HUTTON,
Proctor for Libelant.

[Endorsed]: Filed Dec. 15, 1920. W. B. Maling,
Clerk. By C. M. Taylor, Deputy Clerk. [64]

[Title of Court and Cause.]

(Stipulation as to Certain Facts.)

It is hereby stipulated that it was agreed in open court at the time of the trial of the above cause, between the respective parties thereto by and through their respective proctors, that the cost of a second-class passage from Manila to San Francisco at the time of libelants leaving the said vessel "Jacox" in Manila, to wit, during the month of March, 1920, was the sum of two hundred and twenty-two and 50/100 (\$222.50) dollars.

Dated: December 22d, 1920.

H. W. HUTTON,
Proctor for Libelants.
KNIGHT & HEGGERTY,
Proctors for Pacific Mail Steamship Company.
FRANK M. SILVA,
U. S. Atty.,
E. M. LEONARD,
Asst. U. S. Atty.,
Proctors for United States of America.

[Endorsed]: Filed Dec. 23, 1920. W. B. Maling, Clerk. By C. M. Taylor, Deputy Clerk. [65]

[Title of Court and Cause.]

(Stipulation and Order Re Consolidation of Appeals.)

The libelants and each of the defendants in the above cause having taken appeals therein to the United States Circuit Court of Appeals for the Ninth Circuit, from the decree given and made in said cause by the said District Court on the 9th day of September, 1920, and libelants having filed a praecipe for the apostles on said appeal herein, which is correct,—

IT IS STIPULATED that all said appeals shall be heard on the apostles called for in said praecipe, and that but one apostles shall be sent from said District Court to said United States Circuit Court of Appeals for the Ninth Circuit, and that but one transcript of record shall be printed in said Court of Appeals, and all of said appeals shall be heard on said one transcript.

Dated: December 15th, 1920.

H. W. HUTTON,

Proctor for Libelants.

KNIGHT & HEGGERTY,

Proctors for Pacific Mail Steamship Company.

FRANK M. SILVA,

United States Attorney,

E. M. LEONARD,

Assistant U. S. Attorney,

Proctors for United States of America.

It is so ordered.

Dated December 17th, 1920.

W. H. HUNT,
Circuit Judge. [66]

[Endorsed]: Filed Dec. 17, 1920. W. B. Maling,
Clerk. By C. W. Calbreath, Deputy Clerk. [67]

**Certificate of Clerk U. S. District Court to Apostles
on Appeal.**

I, Walter B. Maling, Clerk of the District Court of the United States, for the Northern District of California, do hereby certify that the foregoing 68 pages, numbered from 1 to 68, inclusive, contain a full, true, and correct transcript of certain records and proceedings in the case of T. S. Vincent, et. al., Libelants, vs. United States of America and Pacific Mail Steamship Company, Respondents, No. 16,845, as the same now remain on file and of record in this office; said transcript having been prepared pursuant to and in accordance with the praecipe for apostles on appeal, and the instructions of proctors for appellants herein.

I further certify that the cost for preparing and certifying the foregoing apostles on appeal is the sum of Twenty-two Dollars and Thirty Cents (\$22.30), and that one-half thereof has been paid by proctor for libelants and the remainder will be charged against the United States in my quarterly account for the current quarter.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District Court this 27th day of December, A. D. 1920.

[Seal]

WALTER B. MALING,

Clerk.

By C. M. Taylor,

Deputy Clerk. [69]

[Endorsed]: No. 3614. United States Circuit Court of Appeals for the Ninth Circuit. T. S. Vincent, A. Ramsted, J. M. Johansen, A. B. Eklov, K. J. Lindstrom, V. Kukuskin, G. Rein, Philip Morrison, A. H. Raymiller, L. Deppman, W. B. Richards, C. W. Ingebretsen, W. Clay, A. Krishlauk, J. Biggins, E. V. Kajaslampi, Antonio Mulet, J. Andersen, James W. Oree and George Williams, Appellants and Cross-Appellees, vs. The United States of America and Pacific Mail Steamship Company, a Corporation, Appellees and Cross-Appellants. Apostles on Appeal. Upon Appeal from the Southern Division of the United States District Court for the Northern District of California, First Division.

Filed December 27, 1920.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

By Paul P. O'Brien,

Deputy Clerk.

Libelants' Exhibit No. 1.

PACIFIC MAIL STEAMSHIP COMPANY.

508 California Street.

San Francisco, Cal., May 3rd, 1920.

Mr. H. W. Hutton,

Attorney at Law,

527 Pacific Bldg.,

San Francisco, Calif.

Subject: Crew—SS. "Jacox."

Dear Sir:

Replying to your letter of the 27th instant on above subject:

Beg to advise that in respect to this crew, that you are probably aware that we made a partial settlement and we now have the matter up with the Shipping Board, the owners of the vessel, regarding the points mentioned in your letter and hope to hear from them in a day or so when we will immediately advise you.

Yours very truly,

PACIFIC MAIL STEAMSHIP COMPANY,

H. E. A. RAILTON

Auditor & Assistant Secretary.

R/G.

[Endorsed]: United States District Court. No. 16,845. Vincent vs. U. S. Lib. Exhibit No. 1. Filed Aug. 9, 1920. Walter B. Maling, Clerk. By Lyle S. Morris, Deputy Clerk.

No. 3614. United States Circuit Court of Appeals for the Ninth Circuit. Filed Dec. 27, 1920. F. D. Monckton, Clerk.

Libelants' Exhibit No. 2.

The Government of the Philippine Islands,
Department of Finance.

BUREAU OF CUSTOMS.

Manila.

March 24, 1920.

TO WHOM IT MAY CONCERN:

I hereby certify:

That the following members of the crew of the Shipping Board S. S. "Jacox" which arrived at this port February 28, 1920, were considered as deserters therefrom for the reason that they refused to proceed with her to Hongkong where she had to be delivered:

C. W. Ingebretsen.	James Biggins.
T. S. Vincent.	Philip Morrison.
A. Krisplanik.	J. Jahansen.
C. V. Kajaslampi.	Waldo B. Richards.
A. B. Ekton.	Johan Andreson.
G. Rein.	A. Ramtad.—
K. Y. Lindstram.	Jony Mulet.
A. Paymiller.	James W. Oree.
V. Kukuskin.	George Williams.
Louis Deppman.	John Cottrell.
Billy Clay.	

That the Pacific Mail Steamship Company at Manila who are acting as agents for the said vessel signified their willingness to bring the above named members of the crew back to Manila and here to make the final discharge after such delivery was effected if they desired.

That notwithstanding the agents' statement, the said members of the crew of the S. S. "Jacox" insisted on being discharged at this port without taking the said vessel to Hongkong, the port of delivery, on the ground that she completed her voyage and delivery was made; whereupon the Master thereof rated the said seamen as such deserters and this office so confirms.

That the Master of the said vessel paid on March 3, 1920, or three days previous to her departure for Hongkong, to the above members of the crew, with the exception of John Cottrell, one-half of the wages which were then earned by them up to and including March 2, 1920.

[Seal]

[Signature Illegible]

Insular Collector of Customs,
Acting as American Consul at Manila.

[Endorsed]: United States District Court. No. 16,845. Vincent vs. U. S. Lib. Exhibit No. 2. Filed Aug. 9, 1920. Walter B. Maling, Clerk. By Lyle S. Morris, Deputy Clerk.

No. 3614. United States Circuit Court of Appeals for the Ninth Circuit. Filed Dec. 27, 1920. F. D. Monekton, Clerk.

No. 3614

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

T. S. VINCENT et al., <i>Appellants and Cross-Appellees,</i> vs. THE UNITED STATES OF AMERICA et al., <i>Appellees and Cross-Appellants.</i>	}
--	---

BRIEF FOR APPELLANTS AND CROSS-APPELLEES.

H. W. HUTTON,
*Attorney for Appellants
and Cross-Appellees.*

FILED

FEB 21 1921

F. D. MONKTON

CLERK

No. 3614

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

T. S. VINCENT et al.,

Appellants and Cross-Appellees,

vs.

THE UNITED STATES OF AMERICA et al.,

Appellees and Cross-Appellants.

BRIEF FOR APPELLANTS AND CROSS-APPELLEES.

I.

STATEMENT OF FACTS.

The libel in this case was filed by 20 seamen who shipped on the S. S. Jacox, owned by the United States of America, and operated for it by Pacific Mail Steamship Company, the shipment taking place in San Francisco, on the 13th day of December, 1919, for a voyage described in the shipping articles entered into before the U. S. Shipping Commissioner as follows:

“From the Port of *San Francisco, California,*
to Manila, P. I., for final discharge, for a term
of time not exceeding *six (6)* calendar months.”

The shipment was upon a usual printed form, the above parts in italics being written in.

Attached to the shipping articles was a typewritten slip which read as follows:

“Officers, including steward and radio operator, shall receive first-class transportation, and wages, remainder of crew second-class transportation, and wages, to San Francisco, upon termination of the voyage.”

Instead of going direct to Manila, the vessel went first to Honolulu; from there to Australia, thence via ports to Manila, where she arrived on the 28th day of February, 1920. The voyage then being up, the men demanded their pay and left the service of said vessel. A cargo of coal was taken from Australia and discharged in Manila, the vessel shipped another crew on March 4th, and sailed from that port on March 6th. The allegations of Paragraph VII of the libel (Trans. pgs. 6-7) in that behalf are not denied.

The master of the vessel insisted on the men going to Hongkong. Libelants, however, refused to go, claiming their voyage terminated at Manila, which it undoubtedly did. The men, however, said they would go to Hongkong if new articles were prepared as they were afraid that they would lose transportation home if they went to Hongkong on the same articles (Trans. pgs. 26, 32, 34-35 and 36). The master of the vessel claimed the men were deserters for not taking the vessel to Hongkong. The Shipping Commissioner in Manila said, as far as he

could see, the men had a right to be paid off in Manila (Trans. pgs. 36 and 46). The whole matter resulted in one-half of the wages earned being paid March 3rd, the men kept in Manila 24 days and then sent back to San Francisco as destitute seamen, having to work on the way back. In San Francisco they were paid wages to the time of arrival, that was taken under protest, and this action was brought to recover the cost of second-class transportation, stipulated to be the sum of \$222.50 for each passage, and double pay per day for each day subsequent to March 3rd, 53 days in all, that wages were withheld from payment in Manila.

The lower court first found that the men were entitled to double pay per day for the days delinquent, but denied the claim for transportation, then reduced the double pay to one day's pay, and a decree was entered for that amount. Both sides appeal.

II.

ARGUMENT.

This voyage ended in Manila. The shipping articles provided for a voyage direct to Manila, the duration of the voyage not to exceed 6 calendar months. No other possible construction can be placed on the shipping articles and this court has so decided in

Northwestern S. S. Co. v. Turtle, 89 C. C. A.
236.

See also

The Falls of Keltie, 114 Fed. 793;

The Hermine, 3 Sawyer 80;

The Disco, 2 Id. 476;

Hamilton v. The United States, 268 Fed. 15.

Subdivision First, Section 4511, of the Revised Statutes requires that the shipping articles shall contain the *nature* and, as far as practicable, the duration of the intended voyage or engagement. The time is merely put in as an estimate—not as the time of service. Shipping articles are construed strongly against the owner.

The Catalonia, 236 Fed. 557.

It is clear, beyond room for argument, that this voyage ended in Manila and the lower court so found.

Independent of the agreement the men would have had the right to leave by reason of the deviation of the vessel in going to Australia and the ports intermediate between there and Manila, without considering Honolulu.

The question then arises

III.

WHAT WERE THE CONTRACTUAL RIGHTS OF THE MEN?

Their contractual rights were as follows:

“Officers, including steward and radio operator, shall receive first-class transportation, and wages, remainder of crew *second-class transportation, and wages*, to San Francisco, upon termination of voyage.”

The voyage having terminated at Manila, each man was entitled to receive wages earned *at least*, and a second-class ticket, or arrangements for second-class transportation to San Francisco. It will probably be urged that the wages could not be computed as it could not be then determined when the men would arrive in San Francisco. In reply to what we anticipate, we say, that in these days of steamer travel, it is not at all difficult to determine what the date of arrival will be in any port. Steamers run with almost the regularity of railroad trains.

What was done? The master designated the men as deserters without a shadow of a reason and his actions must have been for the purposes of coercing the men into going to Hongkong, as he paid them one-half of their wages, entirely negating the idea that he considered them deserters. If deserters, they would not have been entitled to anything. Upon arrival in San Francisco they were paid the balance, thus showing that if they were ever thought deserters, the thought was abandoned.

Their legal rights were as follows:

Section 4529, Revised Statutes, as amended March 4th, 1915 (S. L. 38 pg. 1164):

“The master or owner of any vessel making * * * foreign voyages shall pay to every seaman his wages * * * within twenty-four hours after the cargo has been discharged, or within four days after the seaman has been discharged, whichever first happens; and in all cases the seaman shall be entitled to be paid at the time of his discharge on account of wages

a sum equal to one-third part of the balance due him. Every master or owner who refuses to make payment in the manner hereinbefore mentioned without sufficient cause shall pay to the seaman a sum equal to two days' pay for each and every day during which payment is delayed beyond the respective periods, which sum shall be recoverable as wages in any claim made before the court. * * *"

The men were entitled to one-third of what they had earned, at least, on February 28th. The shipping articles say to "Manila P. I. for final discharge". The arrival itself constituted a discharge and if any act was required to be performed by the master he could not withhold that act and take advantage of his own wrong. The law will regard that as done which should have been done.

1920 was a leap year, and on March 3rd, four days afterwards, the men were entitled to the whole of the money and a second-class ticket. The whole of the cargo was discharged, that also gave them the right to their money.

The only defense would be that there was sufficient cause for withholding the payment. In this case there was no cause at all. The Shipping Commissioner at Manila so said (Trans. pgs. 36 and 46) :

The decisions on the subject are as follows:

This court, in *Schmitt v. Pacific Mail S. S. Co.* :

"We are of the opinion that no sufficient cause was shown for the refusal of the appellant to pay the libellant his wages upon his discharge from the service. * * *

The further contention is made that it has been uniformly held that the penalty will not be imposed in any case where there is a fair ground of despute. Conceding the justice of the rule, we are of the opinion that the evidence in the present case does not show any such fair ground of despute."

In that case a custom to charge men for lost silver-ware was pleaded. In this case we have nothing.

The George W. Wells, 118 Fed. 761:

"The phrase 'without sufficient cause' should rather be construed as equivalent to 'without reasonable cause'."

The Express, 129 Fed. 129:

"The statute is a penal statute, intended to punish masters of vessels who, without any *just* excuse, arbitrarily refuse to pay seamen their wages when due."

The City of Montgomery, 216 Federal 673:

"The meaning of the articles is by no means free from doubt,"

farther down the page we find.

"If, therefore, the seaman had carried out his agreement so far as duration of service was concerned, the next question is whether the provision postponing the payment of wages is lawful." (then follows the law which has been amended from one to two days pay) "It is claimed that the provisions of this statute may be waived and in support of this view claimant cites (cases cited) I think these cases are distinguishable from that at bar, but, in any event, I am of the opinion that the master and seaman, cannot, by contract, abrogate the provisions of Section 4529, without enlarging on the history

of legislation of this character, it may said that Congress has long regarded seamen as words whose rights must be safeguarded. The requirement to pay them promptly is not to be overridden. If, in the practical conduct of a responsible steamship company, such a provision is found inconvenient or otherwise unsatisfactory, the remedy is by appeal to the legislative body, but the courts must construe such a statute, not merly by its letter, but in sympathy with its object."

(Page 676.) "It remains to determine whether claimant must pay the penalty prescribed by the statute where the master or owner neglects to pay 'without sufficient cause', I can readily imagine occasions where the master refuses or neglects to pay for 'sufficient cause'. Such an instance is illustrated in *The Amazon*, (D. C.) 144 Fed. 154.

"In *George W. Wells*, (D. C.) 118 Fed. 761, it was not necessarily to be expected that a master would know that an outstanding assignment of wages, was void as a matter of law. But, in the case at bar, the failure to pay is because of the articles themselves, and the fault is clearly attributable to the owner. But, whether in such instance the fault is of the owner or master, the result is the same.

To hold that an owner or master may escape the penalty prescribed in the very statute which, he seeks to avoid is to strip the statute of the precise purpose for which, in that particular, it was enacted. However debatable a question arising under a statute may be, *it is no excuse that one has made an honest error in the interpretation of that statute.*"

In the case of *The Sadie C. Sumner*, 148 Fed. 611-613, it was held there was a fair ground for controversy.

In the case of *The Sentinel*, 153 Fed. 564-566, the court found there was a reasonable ground for dispute.

In the case of *The Amazon*, 144 Fed. 153, 154, the men left and it was claimed they were deserters.

In the case of the *Topsy*, 44 Fed. 631, it was held there was a reasonable ground for dispute.

In the case of *The Wexford*, 3 Fed. 577, the vessel was sold and it was held there was fair ground for dispute.

The Shipping Commissioner did not decide that the men were deserters, he decided they were entitled to their money.

The Insular Collector of Customs did not decide the men were deserters. On March 24th, he wrote a letter stating that the master did as follows:

“Whereupon the Master thereof rated the said seamen as such deserters and this office so confirms” (Trans. pg. 67).

That is simply a confirmation that the master had rated the men as deserters, not that the Collector of Customs so rated them.

It is true he threatened them with imprisonment if they did not go to Hongkong. That must be considered as an attempted coercion—not that he thought they were required to go.

We respectfully submit that there was no excuse for not paying the first one-third, then the whole of the balance of the wages on March 3rd and that the penalty should be imposed.

IV.

WHAT IS THE AMOUNT OF THE PENALTY?

The law is clear. It says *two* days' pay. The lower court first fixed it at two days' pay, then reduced it to one, on the theory that the wages paid to the time of return was a credit. We think the court was manifestly in error in so deciding as the wages to the time of arrival were stipulated in the contract, as follows:

“and wages, to San Francisco, upon termination of voyage”.

The wages were for time consumed. No one would work under any different rule. If the vessel had gone straight to Manila and the men had been able to get a vessel the day after her arrival to return, it is manifest it would have taken as long to return as it did to go out. Unless paid to the time of return the earnings would be reduced one-half. Who would wish to work under such a contract, particularly at that time when work was plentiful. The owner was not forced to sign a contract to pay until return. Common understanding, however, dictates that he could not have got a crew if it did not. The men were delayed 24 days in Manila. However, no one would leave San Francisco and take chances on such or any delay. They might have been detained there two months with a corresponding decrease in average monthly earnings. The lower court did not appreciate the difference between wages for time consumed and

double pay for non-payment of wages. They are entirely distinct and separate matters.

We respectfully submit that the decree should be reversed on that ground and an order for two days' pay be made, as per the first opinion.

V.

TRANSPORTATION.

The contract is clear. It reads:

“remainder of crew second-class transportation”.

That means but one thing, that the crew shall be sent home as passengers. Instead of that they were sent home as destitute seamen on a transport and had to work their way over (Trans. pgs. 40, 41).

The \$22.50 is the amount the government charges on transports, when a man works. The men worked dishing out food for the soldiers, etc. (Trans. pg. 40). The law required them to work as destitute seamen (Sec. 4577, Rev. Stat.).

These men had earned the second-class ticket by proceeding to Manila. They should not be required to earn passage over again by working on the way back and thus earn their passage twice over. The owner was under contractual obligations to send them home as passengers and it profited to the extent of the difference between \$222.50, what it would have cost if the owner had kept his contract, and \$22.50, what it actually paid.

No one is allowed to profit by his own wrong and the men are entitled to the difference in value between what they were entitled to under their contract and what they actually received. They were damaged to that extent.

We know of no rule of law that allows any person to satisfy a debt of \$222.50 by the payment or giving a thing worth \$22.50 and that taken under protest (Trans. p. 28).

The rule of damages in a case such as this, is laid down in

Rayner v. Jones, 90 Cal. 78.

In that case a party had contracted to deliver certain land warrants and failed to do so. The court found that the true measure of damages was the market value of the warrants, less what was unpaid on the purchase price. We fail to see any difference between that case and where the obligor contracts to either deliver a second-class ticket or its equivalent.

If an attorney had been similarly situated, or a person in any other line of business was sent to Manila with a written contract to the effect that he should receive second-class transportation back, and was then sent home as a destitute seaman, no one would question his right to the difference in the value of what his contract called for and what he actually received. We cannot see why there should be any different rule for a seaman.

We respectfully submit that the court erred in deciding that the transportation furnished satisfied the contract.

VI.

RELEASE.

The release is for wages alone and the contentions of defendants in its behalf are completely met by the following decision of this court:

Billings v. Bausback, 200 Fed. 523.

Independent of that, the men were distinctly told when signing that the release was not binding as to other claims (Trans. pg. 30).

“Q. Did the Shipping Commissioner tell you anything before you signed it?

A. We asked him if this was a final discharge, and he said, ‘No, you have a right to sue for anything you think you are liable to get, for anything you think you have against the company’. There were five of us there when he said that.”

Defendant Pacific Mail Steamship Company had the same view. May 3rd it wrote the proctor for libelants as follows (Trans. pg. 20):

“Subject S. S. Jacox.

Replying to your letter of the 27th instant on above subject beg to advise that, in respect of this crew, that you are probably aware that we made a *partial* settlement and we now have the matter up with the Shipping Board, the owners of the vessel regarding the points mentioned in your letter, and hope to hear from them in a day or so, when we will immediately advise you.”

That seems conclusive; but Section 4531 of the Revised Statutes, as amended in 1915, reads in part:

“Notwithstanding any release signed by any seaman under section 4552 of the Revised Statutes any court having jurisdiction may upon good cause shown set aside such release and take such action as justice may require.”

The purpose of that section was to enable a seaman to get money to live on while he litigated disputed items and not compel him to take less than was owing to keep himself from starving, and have that called final.

VII.

FOOD.

We respectfully submit that all of the testimony shows the food was insufficient and that the findings of the court in that regard are final. We say the same as to the overtime of Williams. The food alone would have warranted the crew in refusing to proceed further than Manila.

We respectfully submit that the decree of the lower court should be reversed and a decree ordered as follows:

For two days pay for fifty-three (53) days.

For the sum of \$200.00 each difference in cost of transportation.

And the decree allowed to stand for the food and overtime.

Dated, San Francisco,

February 19, 1921.

H. W. HUTTON,
*Attorney for Appellants
and Cross-Appellees.*

ADDENDA

There was a deviation and the men would have been justified in leaving the vessel at Sydney. This court decided in *Northwestern S. S. Co. v. Turtle*, 89 C. C. A. 236, where the articles were about identical, page 237,

“To comply with those articles, the vessel, after leaving the port of departure, was bound to proceed directly by the ordinary route to Shanghai, and to touch at no intermediate port, unless the exigencies of the voyage required that she enter the same for coal, supplies, repairs, or other like reasons. Under those articles the vessel was not permitted to touch at any other or intermediate port for discharge of cargo before going to Shanghai.”

In the recent case of *Hamilton et al. v. the United States*, 268 Fed. 15, decided by the Circuit Court of Appeals for the Fourth Circuit, July 6, 1920, the court says, on page 18:

“on the other hand, seamen are entitled to their wages and discharge when the ship reaches the port of destination before the expiration of the stipulated time of the voyage.” (Several cases cited).

His Honor, Judge Rudkin, decided that the voyage terminated at Manila (*Trans.*, page 50).

There is nothing in the law that authorizes a consul to decide anything. A shipping commissioner may, when the controversy is submitted to him in writing, but not otherwise (*Graves v. the W. F.*

Babcock, 29 C. C. A. 524). Bad advice would not create a cause if none otherwise existed, and Sec. 4535 R. S. is conclusive against the right of a consul to forfeit a seaman's rights.

It was the absolute duty of the consul to see that the men received their pay in Manila (R. S. 4548, 4580, 4581).

It would have been unlawful for the men to have left Manila without a new agreement (R. S. 4515, 4517).

This vessel discharged her cargo of coal at Manila, so the cases cited on pages 21 and 22 of the brief of the United States have no application, if it were otherwise possible they could apply (Trans., 40-45). We can see no difference between this case as to the release and the case of *Billings v. Bausbach* decided by this court. The release reads the same, the release is for wages alone. As to short provisions, as in the case of *Billings*, the statute reads they shall be recoverable as wages. In the case of the statutory penalty it reads:

“shall be recoverable as wages in *any claim* made before the court.”

It would seem that Congress intended that the claim for the penalty could be asserted in *any claim*, and that nothing but payment would satisfy the demand if it had foundation.

The fact of the payment of one-half the wages in Manila, and wages for the full period of service at

San Francisco, is a complete refutation of the claim that the men were ever considered deserters.

As to the deduction of the penalty on account of wages paid for time consumed, we respectfully submit, that it is a matter of common knowledge, that when a man goes from the city of his residence to work for another, he is invariably paid wages to the time of his return unless it is stipulated to the contrary, in this case the stipulation was that wages should be paid to the time of return.

Respectfully,

H. W. HUTTON,

*Proctor for Libelants, Appellants
and Cross-Appellees.*

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

T. S. VINCENT, A. RAMSTED, J. M. JOHANSEN, A. B. EKLOV, K. J. LINDSTROM, V. KUKUSKIN, G. REIN, PHILIP NORRISON, A. H. RAYMILLER, L. DEPPMAN, W. B. RICHARDS, C. W. INGEBRETSEN, W. CLAY, A. KRISHLAUK, J. BIGGINS, E. V. KAJASLAMPI, ANTONIO MULET, J. ANDERSEN, JAMES W. OREE, AND GEORGE WILLIAMS,

Appellants and Cross-Appellees,

VS.

THE UNITED STATES OF AMERICA,
AND PACIFIC MAIL STEAMSHIP
COMPANY, a corporation,

Appellees and Cross-Appellants.

BRIEF OF APPELLEE AND CROSS-APPELLANT UNITED STATES OF AMERICA

Upon Appeal from the Southern Division of the
United States District Court for the North-
ern District of California, First
Division in Admiralty.

FRANK M. SILVA,

United States Attorney.

FREDERICK MILVERTON,

Special Assistant U. S. Attorney in Admiralty.

Proctors for Appellee and Cross-Appellant,

United States of America.

No. 3614

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

T. S. VINCENT, A. RAMSTED, J. M. JOHANSEN, A. B. EKLOV, K. J. LINDSTROM, V. KUKUSKIN, G. REIN, PHILIP NORRISON, A. H. RAYMILLER, L. DEPPMAN, W. B. RICHARDS, C. W. INGEBRETSEN, W. CLAY, A. KRISHLAUK, J. BIGGINS, E. V. KAJSLAMPI, ANTONIO MULET, J. ANDERSEN, JAMES W. OREE, AND GEORGE WILLIAMS,

Appellants and Cross-Appellees,

VS.

THE UNITED STATES OF AMERICA,
AND PACIFIC MAIL STEAMSHIP
COMPANY, a corporation,

Appellees and Cross-Appellants.

BRIEF OF APPELLEE AND CROSS-APPELLANT
UNITED STATES OF AMERICA

Upon Appeal from the Southern Division of the
United States District Court for the North-
ern District of California, First
Division in Admiralty.

STATEMENT OF THE CASE.

On the 30th day of April, 1920, the Appellants and Cross-Appellees, who will be hereinafter referred to as the libelants, filed a libel *in personam* in the Southern Division of the United States District Court for the Northern District of California, First Division, in Admiralty, against the Appellees and Cross-Appellants, who will hereafter be referred to as the defendants, claiming to be entitled to recover from the defendants the statutory penalty of wages for two days for each of the days from the 4th of March, 1920, to the 26th of April, 1920, at double pay, because of an alleged failure to pay wages due them on the 4th day of March, 1920, as members of the crew of the Steamer "Jacox." The libelants also claimed the sum of \$244.00 each by reason of the alleged failure of the defendants to furnish them transportation from Manila, the port of final discharge of the vessel, to the port of San Francisco; the sum of \$71.50 each for food and lodging while at Manila awaiting transportation to San Francisco, and \$1.00 per day each for each of the days they claim they were short of potatoes and bread, for a period of twelve and ten days respectively, during the voyage of the "Jacox". The libelant George Williams claimed an additional amount of \$17.40 for overtime while serving on the vessel. (Tr. p. 8.)

The libel alleged that the "Jacox", during the period covered by the libelants' claims, was an American vessel engaged in the merchant service of

the United States, and was owned either by the United States Shipping Board or the United States Emergency Fleet Corporation, and operated jointly by one of said bodies and the Pacific Mail Steamship Company, and that on the 13th of December, 1919, the libelants were hired and employed by those operating the vessel, at the port of San Francisco, California, to serve as seamen on the "Jacox" on a voyage from that port, described in shipping articles signed by the master of the vessel and each of the libelants before the United States Shipping Commissioner at San Francisco, as follows:

"From the port of San Francisco, California, to Manila, P. I., for final discharge, for a term of time not exceeding six (6) calendar months."

The libel further alleged that attached to and forming a part of the shipping articles was the following:

"Officers, including steward and radio operator, shall receive first-class transportation, and wages, remainder of crew second-class transportation, and wages, to San Francisco, upon termination of the voyage."

The libel also recited that each of the libelants went on board and into the service of the vessel as members of her crew on the 13th of December, 1919, and that thereupon the vessel proceeded first to Honolulu, thence to Sydney, and thence to Newcastle, Australia, all in violation of the shipping articles, and then from Newcastle to Manila, at which port

she arrived on February 28, 1920. That on the 29th of February, 1920, their term of service having expired, the libelants each left the vessel and each demanded wages up to that time; that the vessel was then in a position of safety, but the master refused to pay such wages, and thereafter and on the 3rd of March, 1920, the operators of the vessel paid to each of the libelants sums which, with what had theretofore been paid them, equalled one-half of what each had earned up to February 29, 1920, and thereupon demanded of each of the libelants that they proceed on the vessel, in their various capacities, from Manila to Hongkong, China; that the libelants each refused to so proceed on the vessel, and no other or further sum was paid to them at Manila, or at all, until April 26, 1920, at San Francisco, California. That the operators of the vessel hired and employed other men to take libelants' places thereon on the 4th day of March, 1920, and with such other men the vessel left Manila for Hongkong on March 6, 1920. The libel further set out that the master and operators of the "Jacox" refused to furnish transportation for any of the libelants from Manila to San Francisco, the cost of which was \$244.00 for each of the libelants, but that libelants were sent from Manila to San Francisco by the customs authorities at Manila, as destitute seamen, upon the United States Army Transport "Thomas", and were each compelled to work as a seaman on such passage. The libelants remained in Manila twenty-three days awaiting transportation to San Francisco, and

claimed that by agreement the operators of the vessel were to pay them \$2.75 per day each for board and lodging during this period, but that the operators of the vessel had refused to pay any of this amount. The libelants further alleged that while serving in their respective capacities on the "Jacox" on her voyage from Newcastle to Manila, no potatoes were furnished to any of the libelants for twelve days because there were none on board, and no sift bread was furnished for ten days, and no substitutes given therefor. It was further alleged in the libel that the libelant George Williams worked twenty-nine hours overtime on the "Jacox" by order of her steward, his superior officer thereon, for which the operators of the vessel agreed to pay at the rate of 60c an hour, but for which overtime no payment had been made. (Tr. pp. 4-8.)

The answer of the United States alleged that the United States is and was the owner of the "Jacox" on all of the times mentioned in the libel, and that the vessel was being operated and managed by the defendant the Pacific Mail Steamship Company at all of such times as the agent of the United States. The answer also alleged that notwithstanding the contents of the shipping articles as set forth in the libel, it was contemplated by all of the parties concerned, including the libelants, that the voyage of the vessel was to be for a period not to exceed six months, and was to include the ports of Sydney and Hongkong, that the crew of the vessel were to be finally discharged at Manila, and that the shipping

articles contemplated the return of the crew from Manila to San Francisco after her final discharge, and after a voyage to Hongkong had been completed. The answer denied that the vessel proceeded in any manner in violation of the shipping articles, and that the term of service of libelants expired on February 29, 1920, or expired before June 13, 1920. The answer alleged that if the voyage had been completed as contemplated, libelants would have been furnished transportation to San Francisco, and denied that the cost for transportation for libelants from Manila to San Francisco was \$244.00 for each of them; that they were compelled to work as seamen on such passage; and that the operators of the vessel agreed to pay libelants for board while they were awaiting passage to San Francisco at Manila; and denied the allegations of the libel as to the failure to furnish potatoes and bread. The answer also denied, because of lack of sufficient information and belief in regard to the matter, the allegation that George Williams worked overtime on the "Jacox", and demanded full proof thereof, and denied also the allegations of the libel upon which were based the claim of the libelants for two days wages each for each of the days from the 4th of March, 1920, to the 26th of April, 1920. (Tr. pp. 11-14.)

As a separate answer and defense to the libel, the United States alleged that on April 21, 1920, before the United States Shipping Commissioner at San Francisco, California, all of the libelants, each for himself, by his own signature, released the owner

of the "Jacox" from all claims whatsoever by signing a mutual release to the following effect:

"Mutual Release

Form 713

Department of Commerce
Bureau of Navigation
Shipping Service.

"We, the undersigned, seamen on board the S. S. 'Jacox' on her late voyage from San Francisco to, do hereby, each one for himself, by our signatures herewith given, in consideration of settlements made before the Shipping Commissioner at this port, release the master and owners of said vessel from all claims for wages in respect of the said past voyage or engagement, and I, master of said vessel, do also release each of the seamen signing said release from all claims in consideration of this release signed by them.

Dated: April 21, 1920.

PACIFIC MAIL STEAMSHIP CO.

By W. E. Stanton.

"Attest as to said master and the, whose signatures appear below.

Signed S. W. TIBBS,
Deputy Shipping Commissioner."

The separate answer and defense also set out that at the time of signing the mutual release each of the libelants were paid full compensation for services rendered by them up to and including the date of such signing. (Tr. pp. 14-15.)

By way of answer to interrogatories propounded by the libelants to the defendants, the United States set out that the libelants were not paid their wages in Manila for the reason that they had been declared deserters by the United States Shipping Commissioner at that port; that the "Jacox" carried a cargo of coal from Newcastle, New South Wales, to Manila, consigned to Macondray & Company at Manila; and that transportation was not furnished libelants from Manila to San Francisco, for the reason that they had been declared deserters by the United States Shipping Commissioner at Manila and therefore were not entitled thereto. (Tr. pp. 15-16.)

A hearing upon the issues thus made was had on August 6, 1920, at which time the cause was argued and submitted. (Tr. pp. 17-22.)

On August 18, 1920, the District Judge rendered a memorandum opinion in which the following conclusions were set forth:

First: That the voyage terminated at Manila and that the respondents had failed to show sufficient cause for failure to pay the seamen the wages due them and had therefore incurred the penalty imposed by law.

Second: That the libelants were entitled to transportation, second-class, from Manila to San Francisco, and not to the cost of such transportation, and that as they were, in fact, transported free of charge on a Government transport and received the same treatment as was accorded to American soldiers,

working only one hour every other day to secure certain privileges or better treatment, they were not entitled to recover the cost of transportation.

Third: That the testimony fairly established the fact that the libelants were not furnished potatoes for a period of ten days but that there was a failure of proof as to the failure to furnish bread, the testimony on the latter point being uncertain, and the complaint seemingly going to the quality of the bread furnished rather than the failure to furnish bread at all.

Fourth: That the maintenance furnished libelants while awaiting transportation at Manila was satisfactory and paid for by the defendants, so that there was no basis for the recovery of 75c per day, the difference between the amount paid and the amount of maintenance agreed on; and

Fifth: That there seemed to be no defense to the claim for overtime on the part of the libelant Williams. (Tr. pp. 48-51.)

By a supplemental memorandum filed on August 31, 1920, the District Judge, in passing upon a claim made by counsel for the libelants that the libelants should be awarded double wages from the 4th of March, 1920, to the 25th of April, 1920, notwithstanding the fact that they had already been paid single wages for the same period, it was held that under the terms of the shipping articles, the libelants were entitled to wages to San Francisco upon the termination of the voyage, and that such wages had

been in fact paid; that if they were now awarded double pay for the same period, the result would be that they would be paid thrice, and that equity and justice required no more than the payment of double wages in all covering the period of default. (Tr. pp. 51-53.)

On September 9, 1920, a final decree was rendered in the cause based upon the opinions theretofore filed, and from such final decree both the libelants and the defendants appealed to this Court. (Tr. pp. 53-55.)

In the notice of appeal filed by the libelants, the questions upon which they desire a review were limited to the action of the District Court in fixing the amount of the penalty for the non-payment of their wages when they should have been paid in Manila, on March 4, 1920, to one day's pay per day for fifty-three days instead of two days' pay per day for fifty-three days, and the action of the District Court in deciding that libelants were not entitled to judgment for the sum of \$222.00 each, the cost of a second-class passage from Manila to San Francisco.

SPECIFICATIONS OF ERRORS RELIED UPON BY THE DEFENDANTS.

1. That the Court erred in entering its decree awarding to each of said libelants the penalty provided for non-payment of seaman's wages by Section 4529 of the Revised Statutes of the United States, from and including the 4th day of March, 1920, to and including the 24th day of April, 1920.

2. That the Court erred in awarding to each of libelants the further sum of ten dollars (\$10.00) for shortage of potatoes for ten (10) days.

3. That the Court erred in awarding to libelant George Williams the sum of seventeen dollars and forty cents (\$17.40) for overtime work.

4. That the Court erred in awarding the costs to said libelants.

BRIEF OF THE ARGUMENT.

The argument may be conveniently divided into five parts, embracing the following propositions:

First: The evidence does not establish that there was any failure to furnish libelants with sustenance in accordance with the statutes, or that the libelant Williams was entitled to any compensation for overtime.

Second: Under the Shipping Articles, libelants were entitled to second-class transportation from Manila to San Francisco, and were not entitled to be paid its cost or value.

Third: The release executed by the libelants at San Francisco on April 21, 1920, constituted a waiver of all claims and demands by reason of the withholding of wages.

Fourth: The libelants were deserters and therefore were not entitled to recover the statutory penalty because of the alleged withholding of wages, and were not entitled to transportation from Manila to San Francisco.

Fifth: Assuming that libelants were not deserters, no penalty for withholding wages should have been awarded by the Court under the circumstances of the case.

I

The evidence does not establish that there was any failure to furnish libelants with sustenance in accordance with the statutes, or that the libelant Williams was entitled to any compensation for overtime.

The Court below found that there was a failure of proof as to the neglect to furnish bread to the libelants as alleged in the libel, and in view of the limited review requested by counsel for the libelants in his notice of appeal, that finding is not now open for consideration. The Court below, however, did find that the libelants were not furnished potatoes for a period of about ten days and therefore awarded to them the statutory penalty. The evidence in support of this finding is extremely meager, and is based entirely upon the deposition of Andrew G. Ramsted, one of the libelants, who testified that putting all the meals together upon the whole trip of the "Jacox", there was the equivalent of about ten days, counting three meals a day, when the libelants were without potatoes. (Tr. p. 43.) The vessel he said pulled into Balak Papen, Batavia, for provisions, and her Master got some potatoes there, but sent them ashore again because they were too small to eat, and got about a basketful from some American ship lying there. (Tr. p. 31.) It was stipulated during the hearing that there was an abundance of

food on board the "Jacox" when the vessel left San Francisco. (Tr. pp. 21-22.) It nowhere appears in the record that there was no proper substitute furnished for the potatoes, or that they could have been obtained when needed while the vessel was on her voyage. In *The Silver Shell*, 255 Fed. 340, it was held that under Sections 4612 and 4568, of the Revised Statutes, the owner of the vessel is not liable for poor cooking where good food has been provided, or for the substitution of wholesome equivalents for provisions which could not be obtained in foreign ports.

So far as the claim of the libelant George Williams for overtime is concerned, paragraph X of the answer of the United States denied the allegations of the libel covering that claim, and demanded full proof thereof. No legal proof was offered by libelants in support of the claim, but there were offered in evidence by libelants upon the taking of the deposition of the libelant Ramsted, "for what they were worth," two sheets, stated by counsel for libelants to be overtime sheets apparently signed by the steward of the vessel. (Tr. p. 32.) These sheets were never properly authenticated and were not incorporated in the Apostles on Appeal, and there is nothing in the record to show what they contained. The District Judge awarded the libelant Williams compensation for overtime upon the theory that there was no defense to his claim, and not because of any evidence supporting it. That theory overlooked the fact that paragraph X of the answer specifically

denied the allegations upon which this claim was based, and demanded full proof thereof.

II.

Under the Shipping Articles, libelants were entitled to second-class transportation from Manila to San Francisco, and were not entitled to be paid its cost or value.

The shipping articles provided that the crew should receive second-class transportation, and wages, to San Francisco, upon the termination of the voyage. It was stipulated between the parties that the cost of a second-class passage from Manila to San Francisco at the time of libelants leaving the "Jacox" in Manila, during the month of March, 1920, was the sum of \$222.50. (Tr. p. 61.) There is no competent evidence in the record as to the value of the transportation actually furnished the libelants aboard the Army Transport "Thomas" upon their return to San Francisco. The witness Ramsted testified that he heard from the ship's crew that the passage for each man from Manila was \$22.50. This testimony, however, was mere hearsay, and there is nothing in the record to indicate that the libelants were not furnished second-class passage, or its equivalent, aboard the "Thomas". They were transported free of charge on the transport, and received the same treatment as was accorded to American soldiers, working only one hour every other day to secure certain privileges, and the Court below so held, and found that, under these circumstances,

they were not entitled to recover the cost of transportation. The shipping articles are specific that the libelants were to receive transportation, and there is nothing in the articles from which it can be gathered that they would be entitled to its cost or value under the circumstances existing in this case.

III

The release executed by the libelants at San Francisco on April 21, 1920, constituted a waiver of all claims and demands by reason of the withholding of wages.

The mutual release signed by the libelants and the Master of the "Jacox" before the Shipping Commissioner at San Francisco on April 21, 1920, purported to release the Master and owners of the "Jacox" from all claims for wages in respect of the voyage or engagement. Such a release, properly attested, as this was, and given without fraud or coercion, by seamen upon the payment to them of their wages for a voyage, is conclusive upon them as a settlement of all claims on account of such wages. *The Pennsylvania*, 98 Fed. 744, 111 Fed. 931. While it is true that in the case of *Billings vs. Bausback*, 200 Fed. 523, 528, it was held that a release signed by seamen on their discharge at the end of a voyage, releasing the Master and owners from all claims for wages in respect of the voyage or engagement, did not debar them from the right to sue under Section 4568 of the Revised Statutes, to recover for a reduction of allowance, or for the bad quality of the provisions

furnished, yet, it is submitted, such a holding is distinguishable from the case at bar. The present case does not involve an action to recover a penalty because of the furnishing of inferior provisions, which is a matter having no relation to the matter of wages, but is one brought specifically to enforce the payment of a penalty equivalent to wages or pay from March 4, 1920, to the time the libelants arrived in San Francisco. In *The Charles L. Baylis*, 25 Fed. 862, the court held that Section 4529 of the Revised Statutes was designed to be enforced in favor of the seamen as compensation for delay in paying them their dues, and that the extra pay provided by the Statute was incident to their claim for wages proper, and ranked with their wages as a prior lien. It was evidently contemplated by Congress that where wages had been wilfully and wrongfully withheld without sufficient cause, the sailor, by reason of the very nature of his calling, would be compelled to lose time while attempting to collect the amount due him, and it was to reimburse him for the loss of this time that pay, in the nature of wages and as an incident to a claim for wages already earned, should be awarded.

IV

The libelants were deserters and therefore were not entitled to recover the statutory penalty because of the alleged withholding of wages, and were not entitled to transportation from Manila to San Francisco.

Upon the arrival of the "Jacox" at Manila on February 28, 1920, a controversy arose between the Master of the vessel and the libelants as to whether, under the shipping articles, the libelants could be required to proceed with the vessel to Hongkong, and be thereafter returned to Manila for final discharge. The witness Ramsted testified that upon arriving at Manila the Master of the "Jacox" stated that he wanted to take the libelants to Hongkong and then take them back to Manila, but that the sailors were not willing that this be done unless new articles were entered into, and that the crew told the Master that if it could be arranged to take the ship to Hongkong and then get transportation back to Manila and then to San Francisco, it would not make any difference to them. (Tr. pp. 34-35. This witness also testified that the libelants were told that if they went to Hongkong they would be brought back to Manila for final discharge. (Tr. p. 36.) The libelants, however, refused to continue the voyage. (Tr. p. 7.)

After the libelants had been in Manila for a period of about twenty-four days, according to the testimony of the witness Ramsted, they appeared before the Shipping Commissioner at Manila, who told them they would have to go back as deserters in the Transport "Thomas". (Tr. p. 28.) The Commissioner issued a Certificate, which was introduced by the libelants, "Libelants' Exhibit No. 2", (Tr. p. 66) to the following effect:

“The Government of the Philippine Islands,
Department of Finance, Bureau of Customs.

Manila, March 24, 1920.

“To Whom it May Concern:

“I hereby certify: That the following members of the crew of the Shipping Board S. S. ‘Jacox’, which arrived at this port February 28, 1920, were considered as deserters therefrom for the reason that they refused to proceed with her to Hongkong where she had to be delivered. (Here follows the names of the libelants.)

“That the Pacific Mail Steamship Company at Manila, who are acting as agents for the said vessel, signified their willingness to bring the above named members of the crew back to Manila and here to make the final discharge after such delivery was effected if they desired.

“That notwithstanding the agent’s statement, the said members of the crew of the S. S. ‘Jacox’ insisted on being discharged at this port without taking the said vessel to Hongkong, the port of delivery, on the ground that she completed her voyage and delivery was made; whereupon the Master thereof rated the said seamen as such deserters and this office so confirms.

“That the Master of the said vessel paid on March 3, 1920, or three days previous to her departure for Hongkong, to the above members of the crew, with the exception of John Cottrell, one-half of the wages which were then earned by them up to and including March 2, 1920.

(Signature illegible)

(SEAL)

Insular Collector of Customs,
Acting as American Consul at Manila.”

If, as a matter of fact, the libelants were properly rated as deserters, such desertion would constitute a breach of their contract, and they would not be entitled either to transportation from Manila to San Francisco, or to the balance of their wages, or to any penalty for delayed payment of wages. Whether they were deserters or not depends upon the construction to be given to that portion of the shipping articles whereby the libelants agreed to serve on the vessel "From the port of San Francisco, California, to Manila, P. I., for final discharge, for a term of time not exceeding six (6) calendar months". The contention of the libelants was and is that upon the first arrival of the "Jacox" at Manila their service under the shipping articles ended. The contention of the Master of the "Jacox" and of the defendants in this suit was and is that under the terms of the shipping articles the libelants obligated themselves to serve on the "Jacox" for a "*term of time*" not exceeding six months, provided there was a *final* discharge at Manila, and that the contract of the libelants was not, as contended for in the seventh paragraph of the libel, for a voyage direct from San Francisco to Manila under which calls at Honolulu, Sydney, and Newcastle, Australia, would constitute a violation of the shipping articles. The contention of defendants is borne out by the fact, among other things, that the "Jacox" is a steam vessel, and it could not have been within the contemplation of the parties that a period anywhere approximating six months would have been consumed in a direct

voyage between San Francisco and Manila. In fact, the witness Ramsted testified that when the articles were signed it was the understanding of the libelants that the vessel would proceed to Sydney and would be brought to Manila as a final port of discharge. (Tr. p. 39.) Although perhaps the shipping articles are somewhat ambiguous, all of the circumstances indicate that the service of the libelants was to be for a “*term*” rather than for a direct voyage between two ports, the words “final discharge”, and “term of time”, greatly aiding in this construction of the articles. In construing the words “final port of discharge”, the Court in the case of *Schermacher, et al. vs. Yates, et al.*, 57 Fed. 668, said:

“By the terms of the articles, the crew could only be discharged at ‘a final port of discharge in the United States’. These words should be construed in view of the language employed in Sec. 4530 of the Revised Statutes, where it is provided that a seaman is entitled to his wages ‘as soon as the voyage is ended and the cargo and ballast fully discharged at the last port of delivery’. So construed, the last port of delivery where either cargo or ballast was discharged, if within the United States, would be a final port of discharge within the meaning of the articles signed by the libelants.”

In *United States vs. Barker et al.*, Fed. Cas. 14516, the mate and crew of a vessel signed shipping articles in Charleston, S. C., for a voyage “to two or three ports of discharge and lading in Europe, and

back to a final port of discharge in the United States". The vessel went to Europe, took cargo, and came to Boston as her port of destination. The Master was directed to proceed to Alexandria for final discharge, but the mate and crew refused to continue the voyage, and were indicted for an endeavor to make a revolt. Under this state of facts, Mr. Justice Story, said:

" We are of the opinion that the shipping articles extended the voyage to Alexandria. The fact that the destination was by the original instructions of the owner to Boston does not necessarily make it a port of discharge. 'Port of destination' and 'port of discharge' are not equivalent phrases. To constitute a port of destination a port of discharge some goods must be unladen there, or some act done to terminate the voyage there. *But here the words are 'final port of discharge', so that the owner had the right to order the ship from port to port until there was a final discharge of the whole cargo.*"

The shipping articles signed by the libelants in this case providing as they did for a "term" of service and not for a direct voyage between the two ports designated, the libelants, by refusing to continue with the vessel to Hongkong, under the assurance of the Master that they would be returned to Manila for "final discharge", became deserters, and under the provisions of Section 4522 of the Revised Statutes, as amended by the Acts of February, 27, 1877, and December 21, 1898, forfeited the wages or emoluments they had then earned, and no liability

on the part of the ship or her owner for failure to pay the forfeited wages or to return the men to San Francisco would accrue.

V

Assuming that libelants were not deserters, no penalty for withholding wages should have been awarded by the Court under the circumstances of the case.

Assuming that the Master of the "Jacox" erred in rating the libelants as deserters under the circumstances, and that the American Consul at Manila also erred in his adjudication that they were deserters, there is still no warrant for inflicting the penalty provided by the statute in cases where wages of seamen are wrongfully withheld. Section 4529 of the Revised Statutes, as amended by the Act of December 21, 1898, and the Act of March 4, 1915, contains the following provision:

"Every master or owner who refuses or neglects to make payment in the manner hereinbefore mentioned *without sufficient cause* shall pay to the seaman a sum equal to two days' pay for each and every day during which payment is delayed beyond the respective periods, which sum shall be recoverable as wages in any claim made before the Court";

Under this provision it is not every case of delay in the payment of wages that calls for the imposition of the statutory penalty. The refusal or neglect to make payment must be "*without sufficient cause*",

and the cases in which this provision have been construed consistently hold that where the master or owner has refused in good faith to make the payment, or where the matter has been brought before a shipping commissioner or other person with apparent authority to pass upon the question and an adjudication by such means has been had, the penalty will not be enforced.

In the case of *The George W. Wells*, 118 Fed. 761, the delayed payment resulted because of an assignment of wages by the sailor to another. The assignment was held by the Court to be insufficient in law, and although it had been honored by the ship owner, the sailor claimed the wages and the statutory penalty for the delayed payment. But the Court held that to construe the language so narrowly was contrary to its reasonable intent, and said:

“Congress can hardly have intended that in every controversy, however doubtful, which finally results in the seaman’s favor, he shall be entitled to additional compensation so large It is easy to perceive that the construction of the statute urged by the libelant would encourage seamen to speculate upon controversies between themselves and the ship. The phrase ‘without sufficient cause’ should rather be construed as equivalent to ‘without reasonable cause’. In this sense there was reasonable cause in the case at bar for the delay in the payment.”

In a recent case, *The Silver Shell*, 255 Fed. 340, there was an actual controversy between the sea-

men and the owner as to the owner's failure to furnish the required food, and as to the seamen's claim for extra compensation. It was held that the captain had the lawful right to have the question adjudicated by the Court and his refusal to pay the sums demanded by the seamen was not a wrongful withholding of their wages.

In *The Sadie C. Sumner*, 142 Fed. 611, the principle was announced that where there was fair ground for claiming the right to reduce the wages of a mate because of neglect of duty, the refusal to pay him the agreed wages in full on his discharge was not "without sufficient cause" so as to subject the Master or owner of the vessel to the statutory penalty.

In *The St. Paul*, 133 Fed. 1002, a fine had been imposed on a seaman for disobedience but the same was unavailable as a defense to an action for wages because of the failure of the ship's master to enter the offense in the ship's log book on the day it occurred, but it was held that the ship was justified in contesting its liability, and therefore was not liable to a fine on account of the delay in the payment of the seaman's wages.

The statute, said the Court in the case of *The Amazon*, 144 Fed. 153, must be considered as intended to secure justice, and not to penalize vessels for mere errors of judgment on the part of their masters, and should not be applied in a case where the seamen left their ship on account of a matter as to which there was reasonable ground for controversy.

The Supreme Court of the United States, in the case of *Pacific Mail Steamship Co. vs. Schmidt*, 241 U. S. 245, held that the penalty imposed by the statute was not incurred during a delay in payment occasioned by an attempt to secure a revision in a Federal Circuit Court of Appeals of doubtful questions of law and fact. In that case Mr. Justice Holmes said:

“It is a very different thing, however, to say that the delay occasioned by the appeal was not for sufficient cause. *Even on the assumption that the petitioner was wrong*, it had strong and reasonable ground for believing that the statute ought not to be held to apply. So that the question before us is whether we are to construe the Act of Congress as imposing this penalty during a reasonable attempt to secure a revision of doubtful questions of law and fact, although its language is ‘neglect . . . without sufficient cause’. The question answers itself. We are not to assume that Congress would attempt to cut off the reasonable assertion of supposed rights by devices that have had to be met by stringent measures when practiced by the states.”

The facts in *The Express*, 129 Fed. 655, were that deckhands were hired on a steamer making daily trips between New York and another port at a monthly wage, and after working six days left the service without the consent of the master. The owner of the vessel contended, although erroneously, that the contract of the deck-hands was one from month to month, and that they had no right to abandon the

service before the end of the month. It was held in that case that the refusal of the owner to pay the deck-hands wages for the time they worked did not subject him to the penalty imposed by the statute, as there was reasonable ground at least for the owner's contention.

In *The Cubadist*, 252 Fed. 658, the Court in construing the statute in question said:

“It has been contended that, whenever the seaman recovers his wages after a refusal of payment has been made by the Master, this recovery should have added to it double pay for the period following the demand and until the hearing. I can not agree with this contention for I do not think the words ‘without sufficient cause’ are intended to mean this. If this were the meaning intended, the words ‘without sufficient cause’ would have been omitted, and the language then used would have expressed this meaning. The inclusion of these words, however, negatives this idea.”

“What then is meant by the words ‘without sufficient cause’? There are numerous instances where masters have been known to wilfully refuse to pay seamen their wages. In these cases I think it unquestionable that, if the seaman recovers, he should also recover double pay. There are, however, other cases where the Master may have just cause to doubt whether the seaman is entitled to demand his pay, or cases where there may be a very close question. I do not think that the statute was intended to penalize any master or vessel for exercising sound judgment

and discretion, or require them to surrender such judgment under a penalty of double pay. I think the language used carries with it the idea that, where the Court finds that the master's refusal was willful and without justification or excuse, double pay should be given, but where the master was exercising a reasonable and proper discretion, and the question, was doubtful, it reserves to the Court the power to pass upon the question of the reasonableness or the sufficiency of the excuse of the master, and give or deny the double pay according as the Court may find the contention of the master to be honest and not only a pretext."

The circumstances disclosed by the record in this case do not warrant a finding that the master of the "Jacox" willfully and without reasonable cause withheld the wages from the libelants at Manila. All of his actions show honesty of purpose. His offer to finally discharge the men at Manila after the trip to Hongkong had been made, his submission of the controversy to the American Consul at Manila, and the fact that the shipping articles themselves bear out, as we have shown, his claim, all tend to show that the master's acts were not mere pretexts for defeating a just claim, but were done in good faith.

The submission of the matter to the Insular Collector of Customs, acting as the American Consul at Manila, was done pursuant to statutory authority. The Act of July 1, 1902, c. 1369 Sec. 84, provides that the laws relating to seamen on foreign voyages shall apply to seamen on vessels going from the

United States and its possessions to the Philippine Islands, the Custom officers there being for such purpose substituted for Consular officers in foreign ports. Aside from the broad powers granted consuls generally in matters concerning seamen, Section 4600 of the Revised Statutes, as amended by the Act of June 26, 1884, and the Act of December 21, 1898, provides as follows:

“It shall be the duty of all Consular officers to discountenance insubordination by every means in their power and, where the local authorities can be usefully employed for that purpose, to lend their aid and use their exertions to that end in the most effectual manner. In all cases where seamen or officers are accused, the Consular officer shall inquire into the facts and proceed as provided in Section four thousand five hundred and eighty-three of the Revised Statutes.”

The American Consul at Manila clearly had jurisdiction under Revised Statutes Sec. 4600 to inquire into the facts connected with the accusation made that the libelants had deserted. His finding, supporting as it did the contention of the master, even though not to be deemed conclusive upon the question of desertion, is at least sufficient to prevent the attaching of the statutory penalty. In *The Silver Shell*, 255 Fed. 340, it was held that where a seaman's claim for additional compensation for extra work and compensation for insufficient food was submitted to the shipping commissioner of a port and decided in favor of the captain of the vessel, that of itself

established that the captain was making a bona fide contention that the amounts claimed were not due. And in the case of *The Alice B. Phillips*, 106 Fed. 956, where both parties went before the Collector on the discharge of a seaman, where a dispute had arisen as to the amount due him, and where the Collector decided in favor of the contention of the master, *it was held that although the controversy was not submitted by the parties by any agreement in writing, and although the decision the Collector made was erroneous, yet that decision constituted a reasonably "sufficient cause" for withholding the additional wages claimed and exempted the ship and her owners from the penalty imposed by the statute for a failure to pay the wages promptly on discharge.*

The libelants claimed what in effect would be triple wages for a delay of fifty-three days. The libelants have already been paid single wages covering substantially this period, and the Court's construction of the statute that the libelants would not in any event be entitled to triple wages, is undoubtedly correct. The period, however, is incorrectly computed. The vessel arrived at Manila on February 28, 1920, the balance of wages, if due at all, was payable four days thereafter, and the libelants arrived at San Francisco and signed the release there on April 21, 1920, as shown by paragraph XII of the Answer. These matters, however, are wholly immaterial in this case, in view of the fact that the libelants are not, under the construction given to the

statute under consideration by the Courts, entitled to recover any penalty whatsoever on account of the delay in paying them the balance of their wages.

It is the contention of the libelees that under a proper construction of the shipping articles the libelants deserted the "Jacox" at Manila. But even should it be held that the libelants were not deserters although they left the vessel immediately upon her arrival at Manila, though she did not then finally discharge there but proceeded to another port, yet such good faith has been shown on the part of the master of the vessel, and the circumstances surrounding the withholding of the wages are such as not to entitle the libelants to the statutory penalty.

It is respectfully submitted that the decree of the District Judge should be reversed and the libel dismissed.

FRANK M. SILVA,

United States Attorney.

FREDERICK MILVERTON,

Special Assistant U. S. Attorney in Admiralty.

Proctors for Appellee and Cross-Appellant,

United States of America.

United States
Circuit Court of Appeals
For the Ninth Circuit.

W. H. LAWRENCE,

Plaintiff in Error,

vs.

JUSTUS S. WARDELL, as United States Col-
lector of Internal Revenue for the First Dis-
trict of California,

Defendant in Error.

Transcript of Record.

Upon Writ of Error to the Southern Division of
the United States District Court of the
Northern District of California,
Second Division.

FILED
JAN 5 - 1927
F. D. MONKTON,
CLERK

United States
Circuit Court of Appeals
For the Ninth Circuit.

W. H. LAWRENCE,

Plaintiff in Error,

vs.

JUSTUS S. WARDELL, as United States Col-
lector of Internal Revenue for the First Dis-
trict of California,

Defendant in Error.

Transcript of Record.

Upon Writ of Error to the Southern Division of
the United States District Court of the
Northern District of California,
Second Division.

INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

	Page
Assignment of Errors	14
Bond on Writ of Error	17
Certificate of Clerk U. S. District Court to Record on Writ of Error.....	19
Citation on Writ of Error.....	23
Complaint for Recovery of Income Tax Illegally Assessed and Collected	1
Demurrer	9

EXHIBITS:

Exhibit "A"—Claim for Refund Taxes Erroneously or Illegally Collected....	6
Judgment for Defendant.....	12
Memorandum	10
Opinion	10
Order Allowing Writ of Error.....	16
Petition for Writ of Error.....	13
Return to Writ of Error.....	22
Writ of Error	20

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

No. 16,373.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

**Complaint for Recovery of Income Tax Illegally
Assessed and Collected.**

W. H. Lawrence, plaintiff herein, for his cause
of action against defendant alleges:

I.

That plaintiff is, and since the twenty-sixth day
of March, 1919, has been, a resident of the City
and County of San Francisco in the State of Cali-
fornia.

II.

That defendant herein, Justus S. Wardell, is
now, and since the year 1917 has been, the United
States Collector of Internal Revenue for the First
District of California, with his residence and office
in the City and County of San Francisco, in the
State of California.

III.

That plaintiff is, and from birth has been, a citi-
zen of the United States of America, and was

throughout [1*] the year 1918, and thereafter until the twenty-sixth day of March, 1919, a resident of the Philippine Islands.

IV.

That plaintiff's net income for the calendar year 1918, determined in accordance with the provisions of Title II of the United States Revenue Act of 1918, was Nineteen Thousand Six Hundred Eighty Dollars and Eighty-one Cents (\$19,680.81), of which Four Hundred Dollars (\$400.00) consisted of dividends on stock of corporations organized and doing business in the United States, and the remainder, to wit, Nineteen Thousand Two Hundred Eighty Dollars and Eighty-one Cents (\$19,280.81) was from sources within the Philippine Islands; that plaintiff throughout said year 1918 was a married man living with his wife, who had no separate income, and had wholly dependent upon him for their support his three children under eighteen years of age.

V.

That in accordance with the provisions of the United States Revenue Act of 1916 as amended by the United States Revenue Act of 1917, then and there in force, plaintiff in January, 1919, at the City of Manila in the Philippine Islands, made return of his income for the year 1918 to the Collector of Internal Revenue of the Philippine Islands, the appropriate internal revenue officer of the Philippine government within the meaning of

*Page-number appearing at foot of page of original certified Transcript Of Record.

section 23 of the United States Revenue Act of 1916, and paid to said Collector the sum of Two Hundred Eighty-one Dollars and Forty-three Cents (\$281.43) as income tax on and in respect of the said income of plaintiff for 1918 and in accordance with the said return and the said United States Revenue Acts. [2]

VI.

That the legislature of the Philippine Islands has neither amended, altered, modified, nor repealed, with respect to income of 1918, the income tax laws of the United States Revenue Acts of 1916 and 1917 in force in the Philippine Islands.

VII.

That, notwithstanding the premises, the defendant, Justus S. Wardell, as such Collector, prior to the second day of July, 1919, required of plaintiff that plaintiff make return of, and pay income tax upon, his aforesaid income for the year 1918, under and in accordance with the provisions of Part II of Title II of the United States Revenue Act of 1918. to defendant as such Collector, defendant asserting that a tax of Two Thousand One Hundred Sixty-four Dollars and Seventy-three Cents (\$2,164.73) and interest thereon in the sum of Ten Dollars and Eighty-five Cents were due from plaintiff under and pursuant to said Part II of Title II of the United States Revenue Act of 1918, and defendant threatened that in default of such return and payment by plaintiff the payment of said asserted tax and interest, to wit, the sum of Two

Thousand One Hundred Seventy-five Dollars and Fifty-eight Cents (\$2,175.58), would be enforced with penalties by the seizure of plaintiff's property and by other means of compulsion provided in the statutes of the United States.

VIII.

That plaintiff thereupon, to wit, on the second day of July, 1919, involuntarily and under compulsion, and for the purpose of avoiding the penalties, seizure and other proceedings [3] threatened as aforesaid, made to defendant the return required as aforesaid, and paid to defendant for the said asserted tax and interest the sum of Two Thousand One Hundred Seventy-five Dollars and Fifty-eight Cents (\$2,175.58), and at the same time plaintiff protested to defendant against the said requirement and notified defendant that plaintiff made the said return and payment involuntarily and would claim the refund of said payment for the reasons set out in the claim for refund then and there delivered to defendant in writing, of which a true copy is Exhibit "A" of this complaint.

IX.

That thereafter plaintiff duly presented to the Commissioner of Internal Revenue of the United States his claim in writing for the refund of the said sum of Two Thousand One Hundred Seventy-five Dollars and Fifty-eight Cents (\$2,175.58); that a true copy of said claim for refund is annexed hereto, and referred to, and marked Exhibit "A."

X.

That thereafter, to wit, on the eleventh day of February, 1920, the Commissioner of Internal Revenue of the United States acted upon said claim for refund and denied and rejected the same in whole; and that said sum of Two Thousand One Hundred Seventy-five Dollars and Fifty-eight Cents (\$2,175.58) is still retained by defendant.

WHEREFORE, plaintiff prays for judgment against defendant for the recovery of the sum of Two Thousand One Hundred Seventy-five Dollars and Fifty-eight Cents (\$2,175.58), together with interest thereon from the second day of July, 1919, and for his costs of suit herein incurred. [4]

W. H. LAWRENCE,

Plaintiff,

563 Mills Building, San Francisco, California.

State of California,

City and County of San Francisco,—ss.

W. H. Lawrence, being duly sworn, deposes and says, that he is the plaintiff in the above-entitled action; that he has read the foregoing complaint and knows the contents thereof; that the same is true of his own knowledge, except as to the matters therein stated on information or belief and as to those matters that he believes it to be true.

W. H. LAWRENCE.

Subscribed and sworn to before me this 15th day of April, 1920.

[Notarial Seal]

EUGENE W. LEVY,

Notary Public in and for the City and County of San Francisco, State of California. [5]

Exhibit "A."**CLAIM FOR REFUND TAXES ERRONEOUSLY OR ILLEGALLY COLLECTED.**

State of California,

County of San Francisco,—ss.

WILLIAM HAMILTON LAWRENCE (Name of claimant).

3633 Jackson Street, San Francisco, California
(Address of claimant; give street and number as well as city or town and State).

This deponent, being duly sworn according to law, deposes and says that this claim is made on behalf of the claimant named above, and that the facts stated below with reference to the claim are true and complete.

1. Business engaged in by claimant—lawyer.
2. Character of assessment or tax—Income tax on 1918 income.
3. Amount of assessment or stamps—\$2175.58.
4. Amount now asked to be refunded (or such greater amount as is legally refundable)—\$2175.58.
5. Date of payment of assessment or purchase of stamps—July 2, 1919.

Deponent verily believes that the amount stated in item 4 should be refunded and claimant now asks and demands refund of said amount for the following reasons:

Claimant throughout 1918 was a citizen of the United States and a resident of the Philippine Is-

lands. In January, 1919, claimant made return and paid income tax on his whole net income of 1918 to the Collector of Internal Revenue of the Philippine Islands at Manila in accordance with the provisions [6] of the United States Revenue Act of 1916 as amended by the Revenue Act of 1917, then and there in force. On March 26th, 1919, claimant arrived in San Francisco, California, from the Philippine Islands and became a resident of San Francisco. The Collector of Internal Revenue at San Francisco, with notice of the facts above set out, has required claimant to make return and pay income tax on his whole net income of 1918 in accordance with sections 210 and 211 of the Revenue Act of 1918, with credit for the aforesaid payment in Manila, plus interest. Said payment in San Francisco, amounting to \$2,175.56, was made by claimant on July 2d, 1919, involuntarily, under protest, and under duress of the penalties prescribed by law.

The grounds of protest and of this claim for refund are: that, by section 1400 of the Revenue Act of 1918, Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917 is left in force as to 1918 income of residents of the Philippine Islands; that by section 261 of the Revenue Act of 1918 claimant is required to pay in Manila the income tax of the Revenue Act of 1916 on his whole income of 1918, as claimant has done; that sections 210 and 211 of the Revenue Act of 1918 impose an income tax only "in lieu of" the corresponding taxes of the Revenue Acts of 1916 and 1917, and do

not apply in cases where the earlier acts stand unrepealed; that the legislature of the Philippine Islands has neither amended, altered, modified nor repealed the income tax provisions of the Revenue Acts of 1916 and 1917 as to income of the year 1918.

And this deponent further alleges that the said claimant is not indebted to the United States in any amount whatever, [7] and that no claim has heretofore been presented, except as stated herein, for the refunding of the whole or any part of the amount stated in item 3.

Signed: W. H. LAWRENCE.

Sworn to and subscribed before me this 2d day of July, 1919.

(Signed) THOS. F. FEENEY,
Deputy Collector of Internal Revenue.

[Endorsed]: Filed April 16, 1920. Walter B. Maling, Clerk. [8]

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

No. 16,373.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

Demurrer.

Comes now defendant in the above-entitled action and demurs to plaintiff's complaint on file herein on the following ground:

I.

That said complaint does not state facts sufficient to constitute a cause of action against the said defendant.

WHEREFORE, defendant prays that said action be dismissed and that he go hence with his costs in this behalf expended.

ANNETTE ABBOTT ADAMS,
United States Attorney,
CHARLES W. THOMAS, Jr.,
Assistant U. S. Attorney.
Attorneys for Defendant.

Due service of the copy of the within demurrer is hereby admitted this 23d day of April, 1920.

W. H. LAWRENCE,
Attorney for Plaintiff.

[Endorsed]: Filed Apr. 24, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [9]

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, Collector of Internal
Revenue for the First District of California.
Defendant.

W. H. LAWRENCE, Esq., Attorney for Plaintiff.

FRANK M. SILVA, Esq., United States Attor-
ney, WAYNE JOHNSON, Esq., Solicitor of
Internal Revenue, and J. M. STERNHAGEN,
Special Attorney, Bureau of Internal Revenue,
Attorneys for Defendant.

Memorandum.

RUDKIN, District Judge.

The sole question presented by the demurrer in this case is this: Is a citizen of the United States who resided in the Philippine Islands during the entire year 1918 subject to the tax imposed by the Revenue Act of that year? Section 1 of the Act of 1916 imposed a tax upon the entire net income received by every individual "a citizen or resident of the United States," and upon the entire net income received by every individual "a nonresident alien" from all sources within the United States. This Act was amended in 1917, but the amendment is not deemed material to our present inquiry.

Section 210 of the Act of 1918 imposed upon the net income of every individual a normal tax in lieu of the taxes imposed by the Acts of 1916 and 1917. From these provisions it will be seen that the tax is imposed upon citizens of the United States regardless of their place of residence, on residents of the United States regardless of their citizenship, and upon the income of nonresident aliens from sources within the United States. Nothing is found in any other provision of the Act in conflict with this view. Thus section 260 of the [10] Act of 1918 refers to individuals who are citizens of any possession of the United States, but not otherwise citizens of the United States, and the following section provides that returns shall be made by individuals who are citizens or residents of Porto Rico and the Philippine Islands or derive income from sources therein, but makes no reference to citizens of the United States residing in the Islands. For these reasons I am of the opinion that the tax was properly imposed, and the demurrer is therefore sustained.

November 16, 1920.

[Endorsed]: Filed Nov. 16, 1920. Walter B. Maling, Clerk. [11]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

No. 16,373.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

Judgment for Defendant.

On the 16th day of November, 1920, an order of the above-entitled court having been made, entered and filed sustaining a demurrer of the plaintiff herein and without specifying any time within which plaintiff might amend his complaint and a notice of the sustaining of said demurrer having been given to Bert F. Lum on the 26th day of November, 1920, as will more fully appear from the notice of sustaining of demurrer on file herein and the endorsement thereon of receipt of a copy of the same by said Burt F. Lum on the 26th day of November, 1920.

Now, on motion of E. M. Leonard, Assistant United States Attorney and as such attorney, one of the attorneys for the defendant,—

IT IS ORDERED AND ADJUDGED that the complaint herein be, and the same is hereby dismissed.

Dated this 18th day of December, 1920.

M. T. DOOLING,
United States District Judge.

[Endorsed]: Filed and entered Dec. 18, 1920.
Walter B. Maling, Clerk. [12]

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

Petition for Writ of Error.

Comes now the plaintiff, W. H. Lawrence, by his attorney, Burt F. Lum, and says that on the eighteenth day of December, 1920, this Court entered judgment herein in favor of the defendant and against the plaintiff, dismissing the complaint herein, in which judgment and proceedings had prior thereto in this cause certain errors were committed to the prejudice of this plaintiff, all of which will more in detail appear from the assignment of errors which this plaintiff files with this petition.

WHEREFORE, this plaintiff prays that a Writ of Error may be issued in this behalf out of the

United States Circuit Court of Appeals for the Ninth Circuit for the correction of errors so complained of, and that a transcript of the record, proceedings and papers in this case duly authenticated may be sent to said Circuit Court of Appeals for said Circuit.

BURT F. LUM,
Attorney for Plaintiff.

[Endorsed]: Filed Dec. 21, 1920. W. B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk. [13]

In the Southern Division of the District Court of the United States, Northern District of California, Second Division.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector of Internal Revenue for the First District of California,

Defendant.

Assignment of Errors.

W. H. Lawrence, plaintiff in this action, in connection with and as a part of his petition for a writ of error filed herein, makes the following assignment of errors, which he avers were committed by the Court in the proceedings and judgment against this plaintiff appearing on the record herein, that is to say:

I.

That the Court erred in holding and deciding that the complaint of the plaintiff herein does not state facts sufficient to constitute a cause of action against the defendant.

II.

That the Court erred in sustaining the demurrer of the defendant, herein filed, to the complaint of the plaintiff.

III.

That the Court erred in adjudging that the complaint of the plaintiff herein be dismissed. [14]

WHEREFORE, this plaintiff prays that the said judgment be reversed.

BURT F. LUM,
Attorney for Plaintiff.

[Endorsed]: Filed Dec. 21, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [15]

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

Order Allowing Writ of Error.

The petition of W. H. Lawrence, the above-named plaintiff, for a writ of error in the above-entitled action to the United States Circuit Court of Appeals for the Ninth Circuit coming on to be heard, the said plaintiff being represented by his attorney, Burt F. Lum, Esq., and it appearing to the Court that said petition should be granted and that a transcript of the record and proceedings in the above-entitled case upon the judgment herein rendered, duly authenticated, together with the original assignment of errors, writ of error and citation, should be sent to the United States Circuit Court of Appeals for the Ninth Circuit as prayed, in order that such proceedings may be had as may be just to correct any manifest errors;

NOW, THEREFORE, IT IS ORDERED that a writ of error be and the same is hereby allowed herein, and that the said writ of error issue out of and under the seal of the above-entitled [16] court by the clerk thereof upon bond being furnished by said W. H. Lawrence, conditioned according to law, in the sum of Three Hundred 00/100 Dollars (\$300.00); that a true copy of the record, proceedings and papers upon which the judgment herein was rendered, together with the assignment of errors, writ of error and citation, duly certified according to law, shall be transmitted to the United States Circuit Court of Appeals for the Ninth Circuit, in order that said Court may inspect the same and take such action thereon as it deems proper according to law and justice.

Dated Dec. 21, 1920.

W. H. HUNT,
Judge.

[Endorsed]: Filed Dec. 21, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [17]

(Title of Court and Cause.)

Bond on Writ of Error.

KNOW ALL MEN BY THESE PRESENTS:
That we, W. H. Lawrence, of the City and County
of San Francisco, State of California, as principal
and the United States Fidelity and Guaranty, a
corporation, organized and existing under and by
virtue of the laws of the State of Maryland and
qualified to do business under the laws of the
United States as surety, are held and firmly bound
unto the above-named defendant, Justus S. War-
dell, in the sum of three hundred dollars (\$300.00),
to be paid to him, and for the payment of which,
well and truly to be made, we bind ourselves and
each of us, our and each of our heirs, executors and
administrators, successors and assigns, jointly and
severally, firmly by these presents.

Sealed with our seals and dated this twenty-first
(21) day of December, 1920.

WHEREAS, the above-named W. H. Lawrence,
as plaintiff in error, has sued out a writ of error to
the United States Circuit Court of Appeals for the
Ninth Circuit to reverse the judgment rendered in
the above-entitled action by the United States Dis-

trict Court for the Southern Division of the Northern District of California:

NOW, THEREFORE, the condition of this obligation is such that if the said W. H. Lawrence, plaintiff and plaintiff in error, shall prosecute his said writ of error to effect, and answer all costs and damages that may be adjudged if he shall fail to make good his plea, then this obligation to be void; otherwise to remain in full force [18] and virtue.

W. H. LAWRENCE. (Seal)
THE UNITED STATES FIDELITY AND
GUARANTY COMPANY.

By HENRY V. D. JOHNS, (Seal)
[Seal] By ERNEST W. SWIVGLEY, (Seal)
Attorneys in Fact.

(Premium charged for this bond is \$10.00 per annum.)

Approved.

WM. H. HUNT,
Judge.

[Endorsed]: Filed Dec. 22, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [19]

In the Southern Division of the United States District Court, in and for the Northern District of California, Second Division.

No. 16,373.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

**Certificate of Clerk U. S. District Court to Record
on Writ of Error.**

I, Walter B. Maling, Clerk of the District Court of the United States, for the Northern District of California, do hereby certify the foregoing nineteen (19) pages, numbered from 1 to 19, inclusive, to be full, true and correct copies of the record and proceedings in the above-entitled cause, as the same remain on file and of record in the office of the clerk of said court, and that the same constitute the return to the annexed writ of error.

I further certify that the cost of the foregoing return to writ of error is \$7.70; that said amount was paid by the plaintiff, and that the original writ of error and citation issued in said cause are hereto annexed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District Court this 27th day of December, A. D. 1920.

[Seal] WALTER B. MALING,
Clerk U. S. District Court for the Northern District of California.

By J. A. Schaertzer,
Deputy Clerk. [20]

In the United States Circuit Court of Appeals for
the Ninth Circuit.

W. H. LAWRENCE,

Plaintiff in Error,

vs.

JUSTUS S. WARDELL, United States Collector.
of Internal Revenue for the First District of
California,

Defendant in Error.

Writ of Error.

The United States of America,—ss.

The President of the United States of America, to
the Judges of the District Court of the United
States for the Northern District of California,
GREETING:

Because in the records and proceedings, as also
in the rendition of the judgment of a plea which is
in the District Court before you or some of you, be-
tween W. H. Lawrence, plaintiff and plaintiff in

error, and Justus S. Wardell, United States Collector of Internal Revenue for the First District of California, defendant and defendant in error, a manifest error hath happened to the great damage of the said plaintiff in error, as by his complaint doth appear; and we, being willing that error, if any hath been, should be duly corrected, and full and speedy justice done to the parties aforesaid, in this behalf do commend you, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the United States Circuit Court of [21] Appeals for the Ninth Circuit, together with this writ, so that you have the same at San Francisco, California, within thirty days from the date hereof, in the said Circuit Court of Appeals to be then and there held; that the record and proceedings aforesaid being then and there inspected, the said Circuit Court of Appeals may cause further to be done therein to correct that error what of right and according to the laws and customs of the United States of America should be done.

WITNESS the Honorable EDWARD DOUGLAS WHITE, Chief Justice of the Supreme Court of the United States, this 22d day of December, 1920.

[Seal]

WALTER B. MALING,
Clerk of the District Court of the United States for
the Northern District of California.

By J. A. Schaertzer,
Deputy Clerk.

Allowed by.

WM. H. HUNT,
Judge.

Received a copy of the within writ of error this
22d day of December, A. D. 1920.

FRANK M. SILVA,
United States Attorney. [22]

[Endorsed]: No. 16,373. In the United States
Circuit Court of Appeals for the Ninth Circuit.
W. H. Lawrence, Plaintiff in Error, vs. Justus S.
Wardell, Collector, Defendant in Error. Writ of
Error. Filed Dec. 22, 1920. W. B. Maling, Clerk.
By J. A. Schaertzer, Deputy Clerk.

(Return to Writ of Error.)

The answer of the Judge of the District Court of
the United States, in and for the Northern District
of California, Second Division.

The record and all proceedings of the plaint
whereof mention is within made, with all things
touching the same, we certify under the seal of our
said court, to the United States Circuit Court of
Appeals for the Ninth Circuit, within mentioned,
at the day and place within contained, in a certain
schedule to this writ annexed as within we are com-
manded.

[Seal] WALTER B. MALING,
Clerk United States District Court for the Northern
District of California.

By J. A. Schaertzer,
Deputy Clerk. [23]

In the Southern Division of the District Court of
the United States, Northern District of Cali-
fornia, Second Division.

W. H. LAWRENCE,

Plaintiff,

vs.

JUSTUS S. WARDELL, United States Collector
of Internal Revenue for the First District of
California,

Defendant.

Citation on Writ of Error.

United States of America,—ss.

To Justus S. Wardell, Defendant Above Named and
Defendant in Error, GREETING:

You are hereby cited and admonished to be and
appear at a United States Circuit Court of Appeals
for the Ninth Circuit, to be holden at the City of
San Francisco, in the State of California, within
thirty days from the date hereof, pursuant to a
writ of error duly issued and now on file in the
clerk's office of the United States District Court for
the Southern Division of the Northern District of
California, Second Division, wherein W. H. Law-
rence is plaintiff in error and you, Justus S. War-
dell, are defendant in error, to show cause if any
there be, why the judgment rendered against the
said plaintiff in error, as in the said writ of error
mentioned, should not be corrected, and why speedy
justice should not be done to the parties in that
behalf. [24]

WITNESS the Honorable WILLIAM H. HUNT,
United States Circuit Judge for the Northern Dis-
trict of California, this 22d day of December, 1920.

W. H. HUNT,

United States Circuit Judge.

Received a copy of the within this 22d day of
December, A. D. 1920.

FRANK M. SILVA,

United States Attorney. [25]

[Endorsed]: No. 16,373. In the Southern Divi-
sion of the District Court of the United States,
Northern District of California, Second Division.
W. H. Lawrence, Plaintiff, vs. Justus S. Wardell,
Collector, Defendant. Citation on Writ of Error.
Filed Dec. 22, 1920. W. B. Maling, Clerk. By
J. A. Schaertzer, Deputy Clerk.

[Endorsed]: No. 3615. United States Circuit
Court of Appeals for the Ninth Circuit. W. H.
Lawrence, Plaintiff in Error, vs. Justus S. Wardell,
as United States Collector of Internal Revenue for
the First District of California, Defendant in Er-
ror. Transcript of Record. Upon Writ of Error
to the Southern Division of the United States Dis-
trict Court of the Northern District of California,
Second Division.

Filed December 28, 1920.

F. D. MONCKTON,

Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

IN THE
United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

W. H. LAWRENCE,

Plaintiff in Error,

VS.

JUSTUS S. WARDELL, United States
Collector of Internal Revenue for the
First District of California,

Defendant in Error.

BRIEF FOR PLAINTIFF IN ERROR

**Upon Writ of Error to the Southern Division of the
United States District Court of the Northern Dis-
trict of California, Second Division.**

W. H. LAWRENCE,

BURT F. LUM,

563 Mills Building, San Francisco, Cal.

Attorneys for Plaintiff in Error.

FILED

MAY 1901

P. O. REGISTERING

No. 3615.

IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT.

W. H. LAWRENCE,

Plaintiff in Error,

VS.

JUSTUS S. WARDELL, United States
Collector of Internal Revenue for the
First District of California,

Defendant in Error.

BRIEF FOR PLAINTIFF IN ERROR.

STATEMENT OF THE CASE.

This is an action to recover \$2175.58 paid by plaintiff, under protest, to the defendant Collector as income tax and interest thereon. Plaintiff in Error and Defendant in Error were respectively Plaintiff and Defendant in the District Court and will be so designated in this brief.

The District Court sustained a general demurrer to the complaint. Plaintiff declined to amend and suffered a dismissal. Therefore, the allegations of the complaint are the facts of the case, and here, as in the District Court, the only question is whether the complaint states a cause of action.

Plaintiff, a citizen of the United States, was a resident of the Philippine Islands throughout the year 1918 and thereafter until March, 1919. In January, 1919, before leaving the Philippines, plaintiff there paid income tax of \$281.48, representing the full amount of tax upon his 1918 income computed in accordance with the Revenue Act of 1916, as amended by the Revenue Act of 1917. In March plaintiff established his residence in San Francisco, California, and in July was required by the defendant Collector to pay income tax upon his 1918 income computed in accordance with sections 210 and 211 of the Revenue Act of 1918, with credit for the amount paid in the Philippines. The payment was made under protest, and claim for refund was duly presented and was denied. (Printed Transcript, pp. 1-8.)

The case involves the interpretation of the Revenue Act of 1918 to determine whether sections 210 and 211 thereof apply to 1918 income of an American citizen residing in the Philippine Islands.

SPECIFICATION OF ERRORS.

Plaintiff in error specifies and relies upon three errors of the District Court, all of which involve the same question and need not, therefore, be argued separately:

(1) That the Court erred in holding and deciding that the complaint of the plaintiff herein does not state facts sufficient to constitute a cause of action against the defendant;

(2) That the Court erred in sustaining the demurrer of the defendant to the complaint of the plaintiff;

(3) That the Court erred in adjudging that the complaint of plaintiff be dismissed.

BRIEF OF THE ARGUMENT.

The Revenue Act of 1918 repealed the former income taxes *except* in Porto Rico and the Philippine Islands.

"Sec. 1400. (a) That the following parts of Acts are hereby repealed, subject to the limitations provided in subdivision (b):

"(1) The following titles of the Revenue Act of 1916:

"Title I (called 'Income Tax');

"* * *

"(3) The following titles of the Revenue Act of 1917:

"Title I (called 'War Income Tax');

"* * *

"Title XII (called 'Income-Tax Amendments').

"* * *

"(b) * * *

"Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917 shall remain in force for the assessment and collection of the income tax in Porto Rico and the Philippine Islands, except as may be otherwise provided by their respective legislatures."

This exception of the insular possessions was confirmed and emphasized by the specific requirement that every citizen and resident of the possessions should continue to make returns and payments under the Act of 1916.

"Sec. 261. That in Porto Rico and the Philippine Islands the income tax shall be levied, col-

lected, and paid in accordance with the provisions of the Revenue Act of 1916 as amended.

"Returns shall be made and taxes shall be paid under Title I of such Act in Porto Rico or the Philippine Islands, as the case may be, by (1) every individual who is a citizen or resident of Porto Rico or the Philippine Islands. * * *

"The Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in force in Porto Rico or the Philippine Islands respectively."

The new income taxes of the Act of 1918 were so imposed that they should take effect *pari passu* with the repeal of the old; they operated at once upon those affected by the direct repeal; in the possessions they came into force only as the former taxes were superseded by local income taxes imposed by the insular legislatures under their delegated authority. This was accomplished by establishing the new taxes of the 1918 Act "in lieu of" the old.

"Sec. 210. That, in lieu of the taxes imposed by subdivision (a) of section 1 of the Revenue Act of 1916 and by section 1 of the Revenue Act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax at the following rates:

"* * *

"Sec. 211. (a) That, in lieu of the taxes imposed by subdivision (b) of section 1 of the Revenue Act of 1916 and by section 2 of the Revenue Act of 1917, but in addition to the normal tax imposed by section 210 of this Act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual, a surtax equal to the sum of the following:

"* * *"

It must be borne in mind that the "War Income Tax", Title I of the Revenue Act of 1917, did not extend to the insular possessions. For that reason it is not mentioned in sections 261 and 1400(b), *supra*, which maintain in force in the islands the income tax of the Act of 1916.

"Sec. 5. (of Title I of the Revenue Act of 1917). That the provisions of this Title shall not extend to Porto Rico or the Philippine Islands, and the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in force in Porto Rico or the Philippine Islands respectively."

So long as Title I of the Revenue Act of 1916 remained "in force for the assessment and collection of the income tax in * * * the Philippine Islands" (sec. 1400(b), *supra*), it applied to citizens of the United States there resident. This is clear from section 261, *supra*, which requires "every individual who is a * * * resident of * * * the Philippine Islands" to make return and pay tax in the Philippines under the Act of 1916. It further appears from the fact that "the assessment and collection of the income tax in * * * the Philippine Islands" under the Act of 1916 included such assessment and collection against Americans there resident.

The Revenue Act of 1916 extended the income tax to all citizens, residents and local income of the insular possessions, but assigned to the insular governments all the revenues collected in their respective territories, in deference, no doubt, to principles set out in our Declaration of Independence. Perhaps it might

have been more logical to allocate the revenues between the United States and the possessions in accordance with the source of income; but this method would have been cumbersome. Substantial justice with simplicity was achieved by allocation according to the place of collection, which depended on the residence of the taxpayer. So, a resident of New York enjoying Philippine income made his whole return and payment in New York, and his tax went to the Treasury of the United States. On the other hand, a resident of Manila, whether an American citizen or other, there paid his tax on his income of every origin, and the proceeds went to the Philippine government. The principle is illustrated by the ruling that a corporation conducting its principal business in an insular possession should be deemed there resident and should there pay income tax, although incorporated in one of the States (T. D. 2090, Dec. 14, 1914).

“Sec. 1. (a) That there shall be levied, assessed, collected, and paid annually upon the entire net income received in the preceding calendar year from all sources by every individual, a citizen or resident of the United States, a tax of two per centum upon such income; and a like tax shall be levied, assessed, collected, and paid annually upon the entire net income received in the preceding calendar year from all sources within the United States by every individual, a non-resident alien, including interest on bonds, notes, or other interest bearing obligations of residents, corporate or otherwise.”

“Sec. 15. That the word ‘State’ or ‘United States’ when used in this title shall be construed to include any Territory, the District of Colum-

bia, Porto Rico, and the Philippine Islands, when such construction is necessary to carry out its provisions."

"Sec. 23. That the provisions of this title shall extend to Porto Rico and the Philippine Islands: Provided, That the administration of the law, and the collection of the taxes imposed in Porto Rico and the Philippine Islands shall be by the appropriate internal revenue officers of those governments, and all revenues collected in Porto Rico and the Philippine Islands thereunder shall accrue intact to the general governments thereof, respectively; * * *

The point to be emphasized is that under the Revenue Act of 1916 the Philippine government collected and retained the income taxes of citizens of the United States residing in the Philippines.

To provide increased revenues for war purposes Congress adopted the Revenue Act of 1918 with its greatly augmented rates of income tax. But, even in the emergency, it was evidently deemed improper to tax the dependencies for the benefit of the sovereign, and if the new taxes were assigned, like the old, to the insular governments they would prove disproportionate to ordinary requirements. The obvious course was to leave the Act of 1916 in force in the insular possessions, withholding the Act of 1918 from those territories. The power conferred in the Act of 1917 was continued by section 261 of the Act of 1918, whereby the possessions might modify the income tax to meet their own needs, and, if they saw fit, to give financial assistance in the prosecution of the war. If the Act of 1916 had been repealed entirely, the insular possessions, which had not yet exercised their

power to establish their own income taxes, might have been seriously embarrassed. Controlled by such reasons Congress in the Revenue Act of 1918 defined the United States to exclude the insular possessions,

“Sec. 1. That when used in this Act * * * the term ‘United States’ when used in a geographical sense includes only the States, the Territories of Alaska and Hawaii, and the District of Columbia.”

And left the income tax of the Act of 1916 in force in the possessions, “except as may be otherwise provided by their respective legislatures.” No provision was made for distinct taxation of citizens of the United States residing in the possessions, but it appears that Congress contemplated a repeal by the insular legislatures of the Act of 1916, which would, of course, bring into operation upon resident Americans the new taxes “in lieu of” those so superseded.

In the Philippine Islands the Act of 1916 remained in force until January 1, 1920, and therefore applied to income of 1918, excluding in that territory the operation on income of 1918 of sections 210 and 211 of the Revenue Act of 1918. This appears from paragraph VI of the complaint (printed transcript, p. 3), admitted by demurrer. Probably the Court is not concluded by this admission, but may judicially notice whether or not an Act of Congress has been repealed by the Philippine Legislature under delegated power. It will be found that there is no pertinent Philippine legislation except Act No. 2833, approved March 7, 1919. This Act, which provides a complete scheme of income taxes for the Philippine Islands, is effective

January 1, 1920 (sec. 34) ; it "supersedes" the Income Tax Title of the Revenue Act of 1916 as amended by Title XII of the Revenue Act of 1917 (sec. 20).

So, plaintiff's 1918 income, by reason of his Philippine residence, was subject to tax under the Revenue Act of 1916 by virtue of sections 261 and 1400(b) of the Revenue Act of 1918. And, consequently, such income was not subject to the taxes of sections 210 and 211 of the Revenue Act of 1918, which could not apply "in lieu."

The defendant Collector was evidently misled by provisions of "Regulations 45" of the Treasury Department.

"Art. 1131. *Income tax in Porto Rico and Philippine Islands.*—In Porto Rico and the Philippine Islands the Revenue Act of 1916, as amended, is in force and the Revenue Act of 1918 is not. See also section 1400 of the statute.

* * *

"Art. 1132. *Taxation of individuals between United States and Porto Rico and Philippine Islands.*—(a) A citizen of the United States who resides in Porto Rico, and a citizen of Porto Rico who resides in the United States, are taxed in both places, but the income tax in the United States is credited with the amount of any income, war profits and excess profits taxes paid in Porto Rico. See section 222 of the statute and articles (of the regulations) 381-384. * * * The same principles apply in the case of the Philippine Islands."

As applied to the Philippines, Article 1132, *supra*, is correct for taxation of income of 1919 affected by *Philippine* taxes; it is erroneous for taxation of income of 1918 subject to the taxes of the Revenue Act of

1916. The error, whether in the Regulations or in their interpretation by defendant, arises from a misunderstanding of section 222 of the Act of 1918.

"Sec. 222. (a) That the tax computed under Part II of this title shall be credited with:

"(1) In the case of a citizen of the United States, the amount of any income, war-profits, and excess-profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States. * * *

Obviously, this section contemplates two returns of the same income by a citizen of the United States, one in the United States under sections 210 and 211, and another in an insular possession. But if the return in the possession, here referred to, were the return under the Act of 1916 there remaining in force, there would be a conflict between section 222 and the inference from sections 210, 211, 261 and 1400(b) that the operation of the tax of 1916 excludes the operation of the tax of 1918. To contend that the 1918 tax is effective "in lieu of" the 1916 tax while the latter still persists would be as paradoxical as to assert inheritance from a living ancestor.

"Direct repeal would be no stronger, as it is expressly enacted that the increased duties and rates of duty shall be imposed in lieu of the duties heretofore imposed by law." (*Gossler v. Goodrich*, 10 Fed. Cas. 836, 839.

"'In lieu of' means in place of the thing modified by the quoted phrase." (*Hendricks v. Thomas*, 242 Fed. 37, 42.)

The apparent conflict disappears and the Act is left wholly congruous if the reference in section 222 to "taxes paid * * * to any possession" is confined to such taxes imposed by the legislature of the possession under its delegated power. On January 1, 1920, the local statute superseded in the Philippines the Act of 1916 and thus left room for the operation upon United States citizens there resident of the taxes of sections 210 and 211 "in lieu of" those so repealed; resident Americans thereafter pay the local income tax to the Philippine Islands, and also pay to the United States the income tax of 1918, taking the corresponding credit under section 222.

This construction is not only required to harmonize the statute, but is compelled by the terms of section 222. It will be noted that the credit is not only for income taxes, but also for war-profits and excess-profits taxes. As no Act of Congress has ever extended war-profits and excess-profits taxes to the insular possessions nor to Americans residing therein, the reference in that respect could have been applicable only to such taxes imposed by local authority. The grouping of the possessions with foreign countries supports the idea of taxes imposed by other authority than that of Congress. The use of the preposition *to* in the phrase, "to any possession," negatives the possibility that the taxes of the Act of 1916 were in contemplation, for those taxes were paid *to* the United States even though *in* a possession, and none the less because Congress saw fit to allot the insular collections to the insular governments. Under the Act of 1916 the taxpayer in Manila and the taxpayer in San

Francisco paid income taxes under the same authority—that of the United States—and discharged the same obligation—to the United States. In section 261, where the reference is to the Act of 1916, Congress uses discriminatingly the phrase “*in the Philippine Islands.*”

The conclusive proof is in the interpretation which Congress, in another section of the Revenue Act of 1918, puts upon the clause, “taxes paid * * * to any possession of the United States.”

“Sec. 214. (a) That in computing net income there shall be allowed as deductions: * * *

“(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war profits and excess-profits taxes allowed as a credit under section 222; * * *”

So it appears that the “taxes allowed as a credit under section 222” are “taxes * * * imposed * * * *by the authority of* * * * possessions,” and the description is made more impressive by contrast with the preceding class of such taxes “imposed by the authority of the United States,” a class which does include the income taxes of the Revenue Act of 1916.

Construed as Congress intended it, section 222 fits perfectly into the general purpose of the Revenue Act of 1918 for which plaintiff contends: that the two Acts of Congress should be mutually exclusive; that so long as the Act of 1916 applied in any case, the Act of 1918 should not come into operation.

Applying these principles to the facts set out in the complaint it appears: that plaintiff's 1918 income was taxable in the Philippine Islands in accordance with the Revenue Act of 1916, and, therefore, was not taxable under sections 210 and 211 of the Revenue Act of 1918. It follows that defendant's exaction of payment from plaintiff was unlawful and erroneous; that the demurrer to the complaint should have been overruled, and that the judgment of dismissal of the District Court should be reversed.

W. H. LAWRENCE,

BURT F. LUM,

Counsel for Plaintiff in Error.

563 Mills Building,
San Francisco, Calif.

No. 3615

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

W. H. LAWRENCE,

Plaintiff in Error,

vs.

JUSTUS S. WARDELL, United States
Collector of Internal Revenue for the
First District of California,

Defendant in Error.

BRIEF FOR DEFENDANT IN ERROR

FRANK M. SILVA,

United States Attorney.

E. M. LEONARD,

Assistant U. S. Attorney.

Attorneys for Defendant in Error.

CARL A. MAPES,

Solicitor of Internal Revenue,

FERDINAND TANNENBAUM,

JOHN M. STERNHAGEN,

Special Attorneys,

Bureau of Internal Revenue,

Of Counsel.

No. 3615

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

W. H. LAWRENCE,

Plaintiff in Error,

vs.

JUSTUS S. WARDELL, United States
Collector of Internal Revenue for the
First District of California,

Defendant in Error.

BRIEF FOR DEFENDANT IN ERROR

I.

STATEMENT OF THE CASE.

The case arose on complaint of the plaintiff in error to recover \$2175.58 income taxes and interest alleged to have been erroneously collected by the defendant in error under the Revenue Act of 1918. Defendant in error filed a general demurrer which was sustained by the District Court on a memorandum opinion of Judge Rudkin handed down November 16, 1920. The plaintiff brings error.

II.

STATEMENT OF FACTS.

The plaintiff, a native born citizen of the United States, was during all of the year 1918 and until March 1919 a resident of the Philippine Islands. In January, 1919, before sailing from Manila he there paid income taxes amounting to \$281.43, representing the full amount of taxes on his 1918 income computed in accordance with the Revenue Act of 1916 as amended by the act of 1917. In March, 1919, he established his residence in San Francisco and was required by defendant in July to pay income taxes computed in accordance with the Revenue Act of 1918, credit being given for the amount of taxes already paid in Manila. The payment was made under protest, and claim for refund was duly filed and rejected.

III.

STATUTES INVOLVED.

Revenue Act of 1916, approved September 8, 1916, Title I., Part I.

“Sec. 1. (a) That there shall be levied, assessed, collected and paid annually upon the entire net income received in the preceding calendar year from all sources by every individual, a citizen or resident of the United States, a tax of two per centum upon such income; and a like tax shall be levied, assessed, collected, and paid annually upon the entire net

income received in the preceding calendar year from all sources within the United States by every individual, a nonresident alien, including interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise.

“Sec. 23. That the provisions of this title shall extend to Porto Rico and the Philippine Islands: Provided, That the administration of the law, and the collection of the taxes imposed in Porto Rico and the Philippine Islands shall be by the appropriate internal-revenue officers of these governments, and all revenues collected in Porto Rico and the Philippine Islands thereunder shall accrue intact to the general Governments thereof, respectively; Provided further, That the jurisdiction in this title conferred upon the district courts of the United States shall, so far as the Philippine Islands are concerned, be vested in the courts of the first instance of said islands. * * * ”.

Revenue Act of 1917, approved October 3, 1917.

“Sec. 1. That in addition to the normal tax imposed by the subdivision (a) of section one of the Act entitled ‘An Act to increase the revenue, and for other purposes,’ approved September eighth, nineteen hundred and sixteen, there shall be levied, assessed, collected, and paid a like normal tax of two per centum upon the income of every individual, a citizen or resident of the United States, received in the calendar year nineteen hundred and seventeen and every calendar year thereafter.

“Sec. 5. That the provisions of this title shall not extend to Porto Rico or the Philippine Islands, and the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in force in Porto Rico or the Philippine Islands, respectively.”

Revenue Act of 1918, approved February 24, 1919,
Title II, Part II.

“Sec. 210. That, in lieu of the taxes imposed by subdivision (a) of section 1 of the Revenue Act of 1916 and by section 1 of the Revenue Act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax at the following rates: * * * .

“Sec. 211 (a). That, in lieu of the taxes imposed by subdivision (b) of section 1 of the Revenue Act of 1916 and by section 2 of the Revenue Act of 1917, but in addition to the normal tax imposed by section 210 of this Act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual, a surtax equal to the sum of the following * * * .

“Sec. 222. (a) That the tax computed under Part II of this title shall be credited with:

(1) In the case of a citizen of the United States, the amount of any income, war-profits and excess-profits taxes paid during the taxable year to any foreign country, upon income de-

rived from sources therein, or to any possession of the United States; and * * * .

“Sec. 260. That any individual who is a citizen of any possession of the United States (but not otherwise a citizen of the United States) and who is not a resident of the United States, shall be subject to taxation under this title only as to income derived from sources within the United States, and in such case the tax shall be computed and paid in the same manner and subject to the same conditions as in the case of other persons who are taxable only as to income derived from such sources.

“Sec. 261. That in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the Revenue Act of 1916 as amended.

Returns shall be made and taxes shall be paid under Title I of such Act in Porto Rico or the Philippine Islands as the case may be by (1) every individual who is a citizen or resident of Porto Rico or the Philippine Islands, or derives income from sources therein * * * . An individual who is neither a citizen nor a resident of Porto Rico or the Philippine Islands, but derives income from sources therein shall be taxed in Porto Rico or the Philippine Islands as a nonresident alien individual * * .

The Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in

force in Porto Rico or the Philippine Islands, respectively.

“Sec. 1400. * * * * (b) Such parts of Acts shall remain in force for the assessment and collection of all taxes which have accrued thereunder, and for the imposition and collection of all penalties or forfeitures which have accrued and may accrue in relation to any such taxes, and except that the unexpended balance of any appropriation heretofore made and now available for the administration of any such part of an Act shall be available for the administration of this Act or the corresponding provision thereof: Provided, That, except as otherwise provided in this Act, no taxes shall be collected under Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917, or Title I or II of the Revenue Act of 1917, in respect to any period after December 31, 1917 * * *. In the case of any tax imposed by any part of an Act herein repealed, if there is a tax imposed by this Act in lieu thereof, the provision imposing such tax shall remain in force until the corresponding tax under this Act takes effect under the provisions of this Act.

Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917 shall remain in force for the assessment and collection of the income tax in Porto Rico and the Philippine Islands, except as may be otherwise provided by their respective legislatures.”

Regulation 45, United States Internal Revenue.

“Art. 1131. Income tax in Porto Rico and Philippine Islands. In Porto Rico and the Philippine Islands the Revenue Act of 1916, as amended, is in force and the Revenue Act of 1918 is not. See also section 1400 of the Statute. No credit against net income is allowed individuals and no deduction from gross income is allowed corporations with respect to dividends received from a foreign corporation (foreign with respect to the United States) taxed in Porto Rico or the Philippines, but having no income from sources within the United States.

“Art. 1132. Taxation of individuals between United States and Porto Rico and Philippine Islands. (a) A citizen of the United States who resides in Porto Rico, and a citizen of Porto Rico who resides in the United States, are taxed in both places, but the income tax in the United States is credited with the amount of any income, war profits and excess profits taxes paid in Porto Rico. See Section 222 of the statute and articles 381-384. (b) A resident of the United States, who is not a citizen of Porto Rico, is taxable in Porto Rico as a non-resident alien individual on any income derived from sources within Porto Rico, but the income tax in the United States is credited with the tax paid in Porto Rico. (c) A resident of Porto Rico, who is not a citizen of the United States, is taxable in the United States as a nonresident alien individual on any income derived from sources within the United States, and receives no

credit. See also section 260 and article 1121. The same principles apply in the case of the Philippine Islands."

IV.

THE ISSUE.

IS THE INCOME OF THE PLAINTIFF, A CITIZEN OF THE UNITED STATES RESIDING IN THE PHILIPPINE ISLANDS DURING THE ENTIRE YEAR 1918, TAXABLE IN ACCORDANCE WITH THE REVENUE ACT OF 1918?

V.

THE ARGUMENT.

1. *The Act of 1916, as amended by the Act of 1917, was, insofar, as it affected the Philippine Islands, enacted by Congress in its capacity of local legislature for the Philippine Islands.*

The problems presented by this case arise primarily as a result of the peculiar relationship existing between the United States and the Philippine Islands. An understanding of them necessitates a clear comprehension of the attitude of the United States toward the territory acquired from Spain under the Treaty of 1898. The policy adopted by the Federal government with respect to such territory was one calculated to permit local autonomy, and to introduce our forms of government and judicial procedure as soon as, but not sooner than,

the habits of the people allowed. In this respect, the question of revenue legislation proved and still proves the most difficult and it was early recognized that if the power of the national government to acquire territory was to be effectually exercised, it was not to be subjected to the restriction of uniformity of taxation. *Downes v. Bidwell*, 182 U. S. 244.

The problem of providing revenue for the government of the Philippine Islands, and yet giving to the residents of those Islands that local autonomy and experience which is so necessary in developing a people who have been under the control of a foreign government and as a result thereof have had no experience in self government, proved especially difficult in connection with the levying of income taxes. The Revenue Act of 1916 provided for income taxes in the United States. The Philippine Islands, in great need of revenues for the purpose of building up educational facilities, establishing adequate roads and highways, providing for the public health, and administering law for the benefit and welfare of the people resident therein at the time of the passage of such Act, were greatly in need of moneys. Unless suitable provisions were made for extending the terms of this Act to the Philippine Islands it would have been necessary for Congress to make appropriations for the benefit of these Islands. To prevent this contingency, Congress provided that the Revenue Act of 1916 should extend in its entirety to those Islands but that the taxes imposed thereby should

be assessed and levied by the administrative officers of the Philippines and that all revenue collected under the Act should be paid into the Philippine treasury, to be subject to appropriations in the same manner as other funds in such treasury. This is seen from Section 23 of the Revenue Act of 1916, which in effect establishes a local income tax law for the Philippine Islands.

The action of Congress in enacting a law locally applicable to a possession is well recognized as a proper and valid exercise of its legislative power. When legislating for the territories or possessions of the United States, Congress is acting in the capacity of a local legislature for such territories or possessions. When a tax is imposed by a law of Congress, to be collected in a territory or possession from citizens or residents of such territory or possession and the amount thus collected is to be covered into the treasury of such territory or possession, the power of Congress is not exercised under the power delegated to it by Section 8 of Article 1 of the Constitution prescribing that duties, imposts and excises shall be uniform throughout the United States, nor is it exercised under Article XVI of the amendments of the Constitution, permitting the levying and collecting of taxes on incomes, but is exercised under paragraph 2 of Section 3 of Article IV of the Constitution, which vests in Congress the power to dispose of and make all needful rules and regulations respecting the territory or other prop-

erty belonging to the United States. This fact is well illustrated by the case of *Binns v. United States*, 194 U. S. 486. In that case Congress had imposed certain license taxes in the territory of Alaska. The plaintiff in error was convicted for not paying a tax levied in accordance with that Act and an appeal was taken therefrom. It was contended that the Act of Congress levying the tax was repugnant to the clause of the Constitution requiring uniformity throughout the United States because the taxes were imposed only in Alaska. The Supreme Court held that the legislation was constitutional because Congress in passing the same was merely exerting its authority as a local legislature for Alaska, and that it was acting in a similar capacity to the legislature of any state in providing for the raising of revenues from sources within its particular jurisdiction for public use within that jurisdiction. On pages 407 and 408 the court said:

“The power of Congress, legislating as a local legislature for the District, to levy taxes for District purposes only, in like manner as the legislature of any state may tax the people of any state for state purposes, was expressly admitted, and has never since been doubted. In the exercise of this power Congress like any state legislature unrestricted by constitutional provisions may in its discretion exempt certain classes of property from taxation, or may tax them at a lower rate than other property.”

Therefore, it is evident that Section 23 of the Revenue Act of 1916 when it provides that the administration of the Act and the collection of taxes imposed in the Philippine Islands shall be by the appropriate officials in such Islands, and when it specifies that all revenues collected in such Islands shall accrue to the general government thereof and that judicial jurisdiction under the Act shall be placed in the courts of the first instance of such Islands, prescribes for the Philippines a system of domestic taxation. In other words, Congress extended to the Philippine Islands the provisions of the Revenue Act of 1916, not on the theory that the Philippine Islands were properly included within the general legislation, but rather on the theory that it was acting as a local legislature for the Philippine Islands in passing an income tax law peculiarly applicable to those Islands.

In the Revenue Act of October 3, 1917, which prescribed increased rates of taxation it was provided by Section 5 that the income tax provisions thereof should not extend to the Philippine Islands. An express provision was made therein enabling the legislature of the Philippines to amend, alter, modify or repeal the provisions of the 1916 Act. It is evident from Section 5 of the Revenue Act of 1917, that Congress regarded the Revenue Act of 1916, so far as the Philippine Islands were concerned, as an Act for the Philippine Islands rather than general revenue legislation which applied to the Philippine

Islands in the same manner as it applied to the United States.

If it had not been expressly provided by Section 23 of the Revenue Act of 1916, and Section 5 of the Revenue Act of 1917 that the provisions of those Acts imposing income taxes upon every individual, a citizen or resident of the United States, should extend to the Philippine Islands, citizens of the United States, resident in the Islands, would have been subject to taxation under such Acts because the Islands are a part of the United States. *DeLime v. Bidwell*, 182 U. S. 244. However, in order to provide sufficient revenues for the Philippines and to enable local administrative officials to collect and appropriate the same, citizens of the United States who were resident in the Philippine Islands were placed in the same category for the purposes of taxation as were citizens or residents of those Islands who were not citizens of the United States. Congress expressly made citizens of the United States who were residents of the Philippine Islands, subject to the jurisdiction of these Islands in tax matters.

2. *The Revenue Act of 1918 imposes a tax equally upon all citizens of the United States regardless of their residence.*

The Revenue Act of 1918 presents a different situation. By that Act, no distinction was made with regard to the liability of the citizens of the United

States, no matter where they reside. Sections 210 and 211 of the Revenue Act of 1918 include within their scope every individual who is a citizen of the United States, regardless of his residence. The tax imposed upon such citizens are "in lieu of the taxes imposed by" the Revenue Acts of 1916 and 1917. But if a citizen of the United States had not been taxable under the Revenue Acts of 1916 or 1917 he would nevertheless be subject to taxation under the Revenue Act of 1918 even although the taxes imposed by such later Act were in lieu of those imposed by the former Acts. It could not with reason be contended that Congress, by using the words "in lieu of", limited itself to taxing only those individuals who were subject to taxation under prior Acts. If this contention were sound, an individual who was exempted by the prior Acts would not be subject to taxation under the 1918 Act even though the 1918 Act removed such exemption. Therefore, the argument of the plaintiff in error in this case to the effect that the Revenue Act of 1918 only taxes those individuals who were taxable under the Revenue Acts of 1916 and 1917 because Congress used the words "in lieu of" is untenable. Even although citizens of the United States who were residents of the Philippine Islands were taxable under the Revenue Act of 1916 by virtue of the fact that such Act was applied to the Philippines as a statute of local character, and although such citizens were exempted from the increased rates prescribed by the

Revenue Act of 1917, nevertheless, no basis exists for the contention that such citizens were not made taxable by the Revenue Act of 1918 because Congress said that the taxes thereby imposed were "in lieu of" those imposed by the prior Acts.

Section 260 of the Revenue Act of 1918 is in itself sufficient to rebut the argument that citizens of the United States who are residents of the Philippine Islands are not subject to taxes under such Act. This section provides "that any individual who is a citizen of any possession of the United States (*but not otherwise a citizen of the United States*), and who is not a resident of the United States, shall be subject to taxation under this title only as to income derived from sources within the United States, and in such case the tax shall be computed and paid in the same maner and subject to the same conditions as in the case of other persons who are taxable only as to income derived from such sources". (Italics ours.) This Section lays down the rule that individuals who are citizens of a possession of the United States and are not citizens of the United States by virtue of such fact, and persons who are not residents of the United States, shall be subject to taxation on income derived from sources within the United States. In other words, this Section shows that, not only are citizens of the United States taxable under the provisions of the Revenue Act of 1918, but also that citizens of possessions of the United States who are not citizens

of the United States are also taxable under such Act, but only with regard to income derived from sources within the United States. The intention of Congress therefore clearly is to subject every individual who is under its jurisdiction to the taxes imposed by the 1918 Act, except such individuals as are citizens of a possession of the United States and who do not derive income from sources within the United States. Every individual subject to the jurisdiction of Congress, no matter whether he resides in continental United States or in any territory or possession of the United States, must have been subject to taxation under Sections 210 and 211 of the Revenue Act of 1918 or it would not have been necessary for Congress to incorporate Section 260 in such Act in order to exempt the income of individuals who are citizens of a possession and not citizens of the United States and who do not derive income from sources within the United States.

The fact that the Revenue Act of 1918 included within its terms all individuals, citizens or residents of the United States except citizens of possessions who are not citizens of the United States and who derive no income from sources within the United States, and that Section 261 of such Act specifically provided that in the Philippine Islands the income tax shall be levied, assessed, collected and paid in accordance with the provisions of the Revenue Act of 1916, as amended, that every individual who is a citizen or resident of the Philippine Islands or de-

rives income from sources therein shall make returns and pay taxes under the Revenue Act of 1916 and that the Philippine Legislature shall have power by due enactment to amend, alter, modify or repeal the income tax laws in force in such Islands illustrates the conclusion hereinbefore reached that the Revenue Act of 1916 so far as it applied to the Philippine Islands was an act of local character which was passed with reference to the Philippine Islands in the same manner as though Congress were acting in the capacity of a local legislature for such Islands. The Revenue Act of 1916 is in force in the Philippine Islands until the Philippine legislature by due enactment alters, amends or repeals the same, but it is in force therein as a local statute and not as a general law of the United States. It was continued in force by the Revenue Act of 1918 because it serves to provide a basis for local revenues from incomes in such Islands. It is repealed as a general statute of the United States. As far as the Philippine Islands are concerned, the Revenue Act of 1916 serves the same purpose therein, in view of Section 261 of the Revenue Act of 1918, as the income tax law of New York serves for that State. To contend that a citizen of the United States is not taxable under the Revenue Act of 1918 because he resides in the Philippine Islands and there is an income tax law in force in such Islands, is to argue that a citizen of the United States who resides in New York should be exempt

from taxation under the Revenue Act of 1918 because he is subject to income taxes imposed by the State of New York.

Any other conclusion than that reached herein would violate the well known principle that taxes shall be applied as nearly as practicable so as to treat all citizens similarly. It is axiomatic that unless it is clearly shown to the contrary, Congress will be presumed to have intended equality of treatment in tax matters. Plaintiff alleges that he is a native born citizen of the United States and then seeks to secure the benefit of lower taxation than that of his fellow citizens residing in the United States, by reason of the fact that he resided in the Philippines. The Government contends that as such a citizen, regardless of his place of residence, he is subject alike with all other citizens to the Revenue Act of 1918. If the general principle of similarity of treatment of all citizens is kept in mind as the underlying spirit of the statute, it will be found that all of the provisions of the statute here involved are in harmony with this principle and that to construe them in accordance with the plaintiff's contention would be to violate their intendment.

Simply stated, there are in the Philippines three classes of individuals dealt with by the 1918 Act. First, citizens of the United States; second, citizens of the Philippine Islands, and third, residents of the Philippine Islands. By the principle of mutual

exclusion, the third class can only include persons who are not citizens of the United States. In other words, the plaintiff in error cannot, by reason of his residence in the Philippines, throw off his obligations as a citizen of the United States to bear the burdens equally with all other citizens in time of war. Thus it will be seen that the court below was entirely correct when it said in its memorandum opinion that:

“The tax is imposed on citizens of the United States regardless of their place of residence, on residents of the United States regardless of their citizenship, and upon the income of non-resident aliens from sources within the United States. Nothing is found in any other provision of the Act in conflict with this view. Thus section 260 of the Act of 1918 refers to individuals who are citizens of any possession of the United States, but not otherwise citizens of the United States, and the following section provides that returns shall be made by individuals who are citizens or residents of Porto Rico and the Philippine Islands or derive income from sources herein, but makes no reference to citizens of the United States residing in the Islands.” (R. page 11.)

The plaintiff in error, being a United States citizen, claims exemption from the taxes imposed by the 1918 Act. He must show beyond doubt that he is entitled to such exemption. In *Bank of Commerce v. Tennessee*, 161 U. S. 134, the United States Supreme Court said (page 146):

“These cases show the principle upon which is founded the rule that a claim for exemption from taxation must be clearly made out. Taxes being the sole means by which sovereignties can maintain their existence, any claim on the part of any one to be exempt from the full payment of his share of taxes on any portion of his property must on that account be clearly defined and founded upon plain language. There must be no doubt or ambiguity in the language used upon which the claim to the exemption is founded. It has been said that a well founded doubt is fatal to the claim; no implication will be indulged in for the purpose of construing the language used as giving the claim for exemption, where such claim is not founded upon the plain and clearly expressed intention of the taxing power.”

In *J. W. Perry Company v. Norfolk*, 220 U. S. 472, the Supreme Court said more recently (page 480):

“Where one relies upon an exemption from taxation * * * the contract of exemption must be clear. Any doubt or ambiguity must be resolved in favor of the public.” See, also, *Vicksburg v. Dennis*, 116 U. S. 665, 668.

The plaintiff in error contends that subdivision (1) of Section 222 (a) of the Revenue Act of 1918, which provides that a citizen of the United States shall be credited with “the amount of any income, war profits, and excess profits taxes paid during the taxable year * * * to any possession of the United States”, shows that citizens of the United

States who are residents of the Philippine Islands are not subject to taxation under the Revenue Act of 1918 because the return in the possession referred to in this section is not a return under the Act of 1916 inasmuch as it only applies to taxes imposed by local authority. Such a construction is unwarranted. As has been shown above, the taxes imposed by the Revenue Act of 1916 in the Philippine Islands were not paid to the United States but were paid to the Philippine Islands on the theory that the 1916 Act so far as it applied to the Philippines was a local Act passed by Congress acting in the capacity of the Philippine legislature. Section 222 permits individuals who are subject to taxes under the Revenue Act of 1918 and who reside in the Philippine Islands and are consequently taxable therein, whether such taxes are imposed by Congress acting in the capacity of the legislature of the Philippine Islands or by the local legislature thereof, to take a credit for taxes imposed therein. It contemplates two returns by such an individual, one under the Revenue Act of 1916 and one under the Revenue Act of 1918. The return under the Revenue Act of 1916, which Act is repealed as to the United States generally, is a return to the Philippine Islands while the return under the Revenue Act of 1918 is the one prescribed for every citizen of the United States. There is no conflict between the Acts. Section 222 (a) in itself shows that the Revenue Act of 1918 is applicable to the plaintiff in error.

While it is submitted that the position of the Government is amply sustained by the plain language and spirit of the statutes themselves as above interpreted further support is found in the administrative regulations of the Department of the Government charged with the duty of applying the statute. The construction of the statute by such Governmental Department is entitled to great weight.. *United States v. Graham*, 110 U. S. 219; *United States v. Falk*, 204 U. S. 143; *United States v. Hermanos y Compania*, 209 U. S. 337; *Komada & Company v. United States*, 215 U. S. 392.

By Regulations 45, Articles 1131 and 1132, the view which has been set forth is clearly expressed in the following language: "a citizen of the United States who resides in" the Philippine Islands is "taxed in both places but the income tax in the United States is credited with the amount of any income, war profits, and excess profits taxes paid in" the Philippine Islands. The taxes here sought to be recovered were collected in accordance with this Regulation and full credit was admittedly given to plaintiff for the amount of taxes which he had already paid in the Philippine Islands. This Article also makes it clear that citizens of the United States are treated differently in the Philippines from citizens of the Philippine Islands. For by provision (b) of the Article a citizen of the United States residing in the United States deriving income from sources within the Philippines is taxable in the

Philippines as a nonresident alien individual. Further, by provision (c) a resident of the Philippines who is not a citizen of the United States is taxable in the United States as a nonresident alien individual. By implication, a resident of the Philippines who is a citizen of the United States is provided for elsewhere. This confirms the view that Section 261 has no application whatever to citizens of the United States.

VI.

CONCLUSION.

The Revenue Act of 1918 is applicable to the plaintiff in error as a citizen of the United States, and judgment for the defendant in error should therefore be affirmed.

Respectfully submitted,

FRANK M. SILVA,
United States Attorney.

E. M. LEONARD,
Assistant U. S. Attorney.
Attorneys for Defendant in Error.

CARL A. MAPES,
Solicitor of Internal Revenue,

FERDINAND TANNENBAUM,
JOHN M. STERNHAGEN,
Special Attorneys,
Bureau of Internal Revenue,
Of Counsel.

United States
Circuit Court of Appeals
For the Ninth Circuit.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY, a Corporation,

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY, a Corporation,

Appellee.

Transcript of Record.

Upon Appeal from the Southern Division of the
United States District Court for the
Northern District of California,
Second Division.

FILED
JUN 10 1910
P. O. MONTGOMERY
CLERK

United States
Circuit Court of Appeals
For the Ninth Circuit.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY, a Corporation,

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY, a Corporation,

Appellee.

Transcript of Record.

Upon Appeal from the Southern Division of the
United States District Court for the
Northern District of California,
Second Division.

INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in *italic*; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in *italic* the two words between which the omission seems to occur.]

	Page
Assignment of Errors of Plaintiff on Appeal from Order and Decree Entered in the Minutes, October 4, 1920, and Final Decree Made and Entered November 1, 1920.....	117
Bill of Complaint for Infringement of Patent.	1
Bond on Appeal	125
Certificate of Clerk U. S. District Court to Transcript of Record.....	130
Citation	131
Decree	36
Judgment	36
Opinion Dismissing Bill.....	21
Order Allowing Appeal of Plaintiff from Order and Decree of October 4, 1920, and from the Final Decree of November 1, 1920....	115
Order Allowing Withdrawal of Original Exhib- its	127
Order Designating Judge Dietrich to Sit in This Court	18
Order Dismissing Bill, etc.....	19
Order Enlarging Time to and Including Janu- ary 20, 1921, to File Record and Docket Cause	133

Index.	Page
Petition of Plaintiff for an Order Allowing Appeal from Order and Decree of October 4, 1920, and from the Final Decree of No- vember 1, 1920.....	113
Praecipe for Transcript of Record.....	128
Second Amended Answer.....	7
Statement of Evidence Under Equity Rule 75 for the Purposes of Appeal.....	38
Stipulation in Re Statement of Evidence on Appeal	37
TESTIMONY ON BEHALF OF PLAIN- TIF:	
BROWN, EDMUND N.....	39
Cross-examination	47
Redirect Examination	48
Recalled	56
In Rebuttal	97
Cross-examination	102
HENRY, GEORGE J. (In Rebuttal)....	104
Cross-examination	110
HILLER, J. R.....	56
Cross-examination	60
LABATT, MRS. HENRY.....	49
Cross-examination	51
SHOENBERG, MILTON H.....	49
TESTIMONY ON BEHALF OF DEFEND- ANT:	
BEAM, VICTOR S.....	69
Cross-examination	85
Redirect Examination	90
WENTWORTH, G. L.	93
Cross-examination	94

In the Southern Division of the United States
District Court for the Northern District of
California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY,

Defendant.

Bill of Complaint for Infringement of Patent.

Now comes plaintiff in the above-entitled suit and files this its bill of complaint against the defendant, and for cause of action alleges:

1. That the full name of the plaintiff is Majestic Electric Development Company, and at all times hereinafter mentioned plaintiff was and still is a corporation created under the laws of the State of California and having its principal place of business in the City and County of San Francisco, State of California.

2. That the full name of the defendant is Westinghouse Electric & Manufacturing Company, and at all the times hereinafter mentioned said defendant was and still is a corporation created under the laws of the State of Pennsylvania, and having a regular and established place of business in the Northern District of California, Southern Division, to wit, at the City and County of San Francisco, State of California, with an agent engaged in conducting such

business in said Northern District of California, Southern Division.

3. That heretofore, to wit, prior to May 28, 1917, one Edmund N. Brown, a citizen of the United States, residing at the City and County of San Francisco, State of California, [1*] invented a new, original and ornamental design for an article of manufacture, to wit, an electric heater casing, not known or used by others in this country before his invention, and not patented or described in any printed publication in this or any foreign country prior to his invention thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, and not abandoned; and being such inventor, heretofore, to wit, on May 28th, 1917, said Edmund N. Brown filed an application in the Patent Office of the United States praying for the issuance to him of letters patent of the United States for said design for an electric heater casing.

4. That after the filing of said application and prior to the issuance of any patent thereon, the said Edmund N. Brown for value received by an assignment in writing, sold and assigned to the plaintiff herein the aforesaid design, together with any and all letters patent that might be issued therefor, and in and by said assignment requested the Commissioner of Patents to issue the said patent to the said Majestic Electric Development Company, a corporation, its successors and assigns, which assignment was filed in the Patent Office of the United States

*Page-number appearing at foot of page of original certified Transcript of Record.

prior to the issuance of letters patent on said application.

5. That thereafter, to wit, on July 17th, 1917, letters patent of the United States for said design, dated on said day, and numbered 51,043 were issued and delivered by the Government of the United States to the plaintiff herein, Majestic Electric Development Company, a corporation, whereby there was granted unto the said plaintiff, its successors and assigns, for the term of seven (7) years from the 17th day of July, 1917, the exclusive right to make, use and vend the said invention covered by said letters patent throughout the United States of America and the territories thereof. [2]

6. That ever since the issuance of said letters patent plaintiff has been and still is the sole owner and holder thereof, and of all the rights, liberties and privileges thereby conferred, and has made and sold electric heater casings to which the said design was applied, and upon each and every one of the said articles so sold the date and number of the aforesaid patent were marked.

7. That after the issuance of said letters patent and during the term thereof, to wit, between the 17th day of July, 1917, and the commencement of this suit, in the Southern Division of the Northern District of California, to wit, at the City and County of San Francisco, in the State of California, and at other places in the Northern District of California, and at places outside of the Northern District of California, the defendant herein without the license or consent of the plaintiff did apply the design

secured by said letters patent and colorable imitations thereof to articles of manufacture, to wit, electric heater casings, for the purposes of sale, and did sell and expose for sale the said articles of manufacture to which said design and colorable imitations thereof had without the license or consent of the plaintiff been applied, knowing that the same had been so applied, and did so also at the City and County of San Francisco, in the State of California, and elsewhere without the license of plaintiff to sell electric heater casings containing and embracing the invention patented in and by said letters patent No. 51,043.

8. That by reason of the infringement aforesaid plaintiff has suffered damages, and plaintiff is informed and believes and upon such information and belief alleges that the defendant has realized profits, gains and advantages, but the exact amount are unknown to the plaintiff.

9. That the plaintiff has requested the defendant to cease and desist from further infringement upon said letters patent [3] and to account to the plaintiff for the aforesaid damages and profits, but the defendant has failed and refused to comply with such request or any part thereof.

10. That the defendant is now continuing the infringement of said letters patent as aforesaid daily at the City and County of San Francisco, State of California, and elsewhere, and threatens to continue the same, and unless restrained therefrom by this Honorable Court will continue the same, whereby plaintiff will suffer great and irreparable injury and

damage, for which it has no plain, speedy or adequate remedy at law.

11. Plaintiff further avers that heretofore, to wit, on September 5, 1917, plaintiff commenced an action at law in this Honorable Court against the Holabird Electrical Company, a corporation, alleging the invention of the said design for electric heater casings by Edmund N. Brown; the assignment thereof to the plaintiff; the filing of an application for patent thereon, and the issuance of the said patent, No. 51,043; the ownership of said patent by plaintiff; the infringement thereof by the defendant in said action; the suffering of damages by said infringement of the defendant coupled with a prayer for judgment against the defendant and in favor of the plaintiff for damages; that the Holabird Electrical Co., defendant, appeared in said action and filed its answer, together with notices of special matter attacking the validity of the said patent and denying infringement; that afterwards, to wit, on June 16, 1919, said action came on for trial on the issues so framed, and the same was duly tried in this Honorable Court before a jury of twelve men, and was submitted to said jury for its verdict; that thereupon on the 16th day of June, 1919, said jury rendered a verdict sustaining the validity of said patent and finding infringement thereof and awarding the plaintiff damages for said [4] infringement; whereupon a judgment for plaintiff was duly made and entered by this Honorable Court, and the same has never been altered, set aside, or reversed, and is still in full force and effect.

WHEREFORE, plaintiff prays as follows:

First: That a final decree be entered in favor of plaintiff, Majestic Electric Development Company, and against the defendant, Westinghouse Electric & Manufacturing Company, perpetually enjoining and restraining the said defendant, its officers, servants, agents, attorneys, workmen and employees, and each of them, from making, using or selling the device or devices described, claimed and patented in and by the said letters patent either directly or indirectly, or from contributing to any such infringement.

Second: That upon the filing of this bill of complaint a preliminary injunction be granted to the plaintiff enjoining and restraining the defendant, Westinghouse Electric & Manufacturing Company, its officers, servants, agents, attorneys, workmen and employees, and each of them, until the further order of this Court, from making, using or selling the device or devices described, claimed and patented in and by the said letters patent, and from making, using or selling any device or devices in colorable imitation thereof, and from infringing upon said letters patent either directly or indirectly or from contributing to any such infringement.

Third: That plaintiff have and recover from the defendant Westinghouse Electric & Manufacturing Company the gains, profits and advantages realized by the defendant and the damages suffered by the plaintiff from and by reason of the infringement aforesaid, together with costs of suit, and such other and further relief as to the Court may seem proper

and in accordance with [5] equity and good conscience.

MAJESTIC ELECTRIC DEVELOPMENT
COMPANY.

By EDMUND N. BROWN,
Secretary.

JOHN H. MILLER,
Attorney and Counsel for Plaintiff,
723-6 Crocker Building,
San Francisco, California.

United States of America,
Northern District of California,
City and County of San Francisco,—ss.

Edmund N. Brown, being duly sworn, deposes and says: That he is secretary of Majestic Electric Development Company, plaintiff, in the within entitled case; that he has read the foregoing bill of complaint and knows the contents thereof; that the same is true of his own knowledge, except as to matters therein stated on information and belief, and as to those matters he believes it to be true.

EDMUND N. BROWN.

Subscribed and sworn to before me this 1st day of November, A. D. 1919.

[Seal] EUGENE P. JONES,
Notary Public in and for the City and County of
San Francisco, State of California.

[Endorsed:] Filed Nov. 1, 1919. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [6]

(Title of Court and Cause.)

Second Amended Answer.

The answer of Westinghouse Electric & Manufacturing Company, the above-named defendant, to the bill of complaint of the above-named plaintiff.

This defendant, now and at all times hereafter, saving and reserving to itself all and all manner of benefit and advantage of exception which may be had, or taken, to the many errors, uncertainties, imperfections and insufficiencies in said bill of complaint contained, for answer thereunto, or unto so much and such parts thereof as this defendant is advised that it is material or necessary to make answer unto, answering, says:

1. As to whether the full name of the plaintiff is Majestic Electric Development Company, and whether the plaintiff was and still is a corporation created under the laws of the State of California and has its principal place of business in the City and County of San Francisco of the State of California, defendant does not know and leaves plaintiff to make proof thereof.

2. Answering further, this defendant admits that the full name of defendant is Westinghouse Electric & Manufacturing Company and that it was, and still is, a corporation of the State of Pennsylvania and has a regular and established place of business in the City and County of San Francisco of the State of California, with an agent conducting such business.

3. Answering further, this defendant admits that,

on May 28, 1917, one Edmund N. Brown filed an application in the United States Patent Office praying for the issuance to him of Letters Patent of the United States for a design for an electric heater casing, but denies that the said design was new, original or ornamental; that it was not known or used by others in this country before his alleged invention thereof and not patented [7] or described in any printed publication in this or any foreign country before his alleged invention thereof or more than two years prior to his application for Letters Patent, and not in public use or on sale in this country for more than two years prior to his said application and that it had not been abandoned.

4. Answering further, as to whether the said Edmund N. Brown did, subsequent to the filing of said application and prior to the issuance of Letters Patent thereon, for value received, sell and assign to the plaintiff herein by an assignment, in writing, the aforesaid design, together with any and all Letters Patent that might be issued therefor, and requested the Commissioner of Patents to issue such patent to the Majestic Electric Development Company, its successors or assigns, and whether any such assignment was filed in the Patent Office of the United States prior to the issuance of Letters Patent on the said application, this defendant is not informed and leaves the plaintiff to make proof thereof.

5. Answering further, this defendant admits that Letters Patent No. 51,043, were issued to the Majestic Electric Development Company on July 17, 1917, for the term of seven years from that date, but

10 *Majestic Electric Development Company vs.*

whether such Letters Patent were delivered to the plaintiff herein defendant does not know.

6. Answering further, as to whether the plaintiff has been and still is the sole owner or holder of the said Letters Patent and of all rights, liberties and privileges thereby conferred and whether the plaintiff has made and sold electric heater casings embodying the said design and whether any electric heater casings made and sold by the plaintiff were marked with the date and number of the aforesaid patent, defendant does not know and leaves the plaintiff to make proof thereof.

7. Answering further, this defendant denies that, between the 17th day of July, 1917, and the commencement of this suit, it has, [8] in the Southern Division of the Northern District of California, to wit, in the City and County of San Francisco, or in any other place or places in the Northern District of California or elsewhere applied the design secured by said letters patent or any colorable imitations thereof to electric heater casings for the purposes of sale or that it has sold or exposed for sale any such article of manufacture embodying such design or any colorable imitation thereof.

8. Answering further, this defendant denies that it has realized profits, gains or advantages or that the plaintiff has suffered damages by reason of any infringement of said Letters Patent No. 51,043 by the said defendant.

9. Answering further, this defendant admits that it has been requested by the plaintiff to desist from infringing said letters patent and to account

to plaintiff for alleged damages and profits, but this defendant denies that it has failed and refused to comply with any such request, or threatens or intends to continue to make, use and sell anything described and claimed in said letters patent, or that it has made, used and sold any such heater casings since the receipt of such notice, or at any other time.

10. Answering further, this defendant denies that it is now continuing infringement of the said letters patent, directly or otherwise, in the City and County of San Francisco, State of California, and elsewhere, or that it threatens to continue any such infringement or that the plaintiff will suffer great and irreparable injury and damage by reason of any acts of defendant.

11. Answering further, as to whether, on September 5, 1917, the plaintiff commenced an action at law against the Holabird Electrical Company, a corporation, alleging the infringement of letters patent No. 51,043; whether said action was tried and [9] whether a jury rendered a verdict sustaining the validity of said patent and finding infringement thereon; and whether a judgment for plaintiff was made and entered by this Honorable Court, which has never been altered, set aside or reversed, and is still in full force and effect, defendant does not know and leaves plaintiff to make proof thereof.

12. Answering further, this defendant denies that the finding of a jury in a case at law against the Holabird Electrical Company, a corporation, is binding upon this defendant because there is no privity of parties defendant in the alleged and in

12 *Majestic Electric Development Company vs.*

the present actions; there is not such similarity of subject matter of the respective actions as to warrant such holding, and the articles manufactured and sold by the Westinghouse Electric & Manufacturing Company, the defendant herein, and alleged to infringe said letters patent bear no such similarity to the articles involved in the alleged suit against the Hollabird Electrical Company as to make any verdict of a jury in such suit in any manner or degree binding upon this defendant.

13. Answering further, this defendant denies that the alleged design for electric heater casings shown, described and claimed in said letters patent No. 51,043, contains and embodies any material beneficial advance over what had previously been known to those skilled in the art, but avers the fact to be that the patent is invalid and void, for the following reasons:

(a) Because the said Edmund N. Brown was not the original and first inventor or discoverer of the invention alleged to be shown, described and claimed in said letters patent, or of any material or substantial part thereof, but that the same and all material or substantial parts of the alleged invention had been patented or described in the printed publications and letters patent prior to the date of the alleged invention of the said Edmund N. Brown, as follows: [10]

LETTERS PATENT OF THE UNITED STATES.

	No.	Date.	Patentee.
	8,101	May 20, 1851	R. Jobson.
Design	45,317	Feb. 24, 1914	A. A. Warner.
Design	46,922	Feb. 9, 1915	F. X. Chassaing.
	235,199	Dec. 7, 1880	A. G. Bell.
	235,497	Dec. 14, 1880	A. G. Bell & S. Tainter.
	492,247	Feb. 21, 1893	W. E. Ulmer.
	530,016	Nov. 27, 1894	J. Cinnamon.
	654,630	July 31, 1900	H. V. Hayes & E. R. Cram.
	658,706	Sept. 25, 1900	H. J. Dowsing.
	684,459	Oct. 15, 1901	E. F. Porter.
	881,017	Mar. 3, 1908	W. E. H. Morse.
	893,994	July 21, 1908	F. C. Green.
	902,003	Oct. 27, 1908	A. D. Rathbone.
	921,476	May 11, 1909	W. A. Soles.
	988,824	Apr. 4, 1911	L. A. Sagendorph.
	1,084,375	Jan. 13, 1914	G. B. Swinchart.
	1,097,282	May 19, 1914	L. W. Andersen.
	1,109,551	Sept. 1, 1914	M. H. Shoenberg.
	1,120,003	Dec. 8, 1914	A. A. Warner.
	1,147,951	July 27, 1915	F. T. Kitchen.
	1,187,968	June 20, 1916	E. N. Cherry.
	1,205,011	Nov. 14, 1916	Phillips & Anderson.

LETTERS PATENT OF GREAT BRITAIN.

No. 19,311 of 1894.

No. 11,013 of 1910.

No. 2,764 of 1912.

No. 19,971 of 1913.

No. 102,070 of 1916.

PUBLICATIONS.

Page 79 of the issue of Jan. 25, 1912, The Electrical Times, published in London, England.

Page 37 of the issue of Jan. 11, 1912, The Electrical Times.

Page 239 of the issue of Mar. 7, 1912, The Electrical Times.

Page 362 of the issue of Mar. 6, 1913, The Electrical Times.

Page 364 of the issue of Mar. 6, 1913, The Electrical Times.

Page 214 of the issue of Oct. 3, 1913, the Supplement to "The Electrician," published in London, England.

Page 353 of the issue of Oct. 9, 1913, The Electrical Times.

Page 591 of the issue of Dec. 4, 1913, The Electrical Times.

Page 12 of the issue of Oct. 16, 1914, the Supplement to "The Electrician."

Page 19 of the issue of May, 1915, Electrical Record, published in New York, N. Y.

Page 162 of the issue of Aug. 31, 1916, The Electrical Times.

Page 14 of the issue of May, 1907, Electrical Record, published in New York, N. Y.

Advertising insert—page two of the Supplemental to "The Electrician" of the issue of September 20, 1912.

Page 163 of the issue of Aug. 16, 1912, of the Supplement to "The Electrician."

Pages 1 and 11 of the Oct. 3, 1906, issue of "Prometheus," published by Dr. Otto N. Witt in Berlin, Germany. [11]

Also in many other letters patent and printed publications not now known to this defendant, but which, when discovered hereafter, defendant prays leave of the Court to furnish and concerning which defendant prays leave to incorporate data in this, its answer, by suitable amendment thereof.

(b) Because, in view of the state of the art in respect to electric heater casings prior to, or at the time of, the alleged invention of the said Edmund N. Brown, the supposed improvement shown, described and claimed in said letters patent was not a patentable invention, discovery or improvement but comprised mere selections and adaptations from prior known structures requiring no invention but being within the domain of mere judgment and skill in the art and, in view of such prior art, this defendant refers to and hereby makes a specific part of its answer, the several printed publications and letters patent hereinbefore cited.

(c) Because, defendant is informed and believes, the said Edmund N. Brown was not the original and first inventor of the alleged invention, discovery or improvement described and claimed in said letters patent or any material or substantial part thereof; that, prior to any such invention by said Edmund N. Brown, said invention, discovery or improvement was publicly known to, and used by, others, at places in this country, to wit:

Alonzo A. Warner and Landers, Frary & Clark, at
New Britain, Connecticut, and elsewhere.

(d) Because, as defendant is informed and believes, the Majestic Electric Development Company, the plaintiff herein, manufactured, publicly offered for sale and sold electric heater casings like or substantially like that shown, described and claimed in the said letters patent No. 51,043, in the City and County of San Francisco, in the State of California, and elsewhere, and that such heater casings were so sold and were publicly [12] used more than two years prior to the 28th day of May, 1917.

(e) Because, as defendant is informed and believes, one Alfred R. Huntington, formerly of San Francisco, California, now of Riverside, California, was the originator of the design for which said design patent No. 51,043 was granted to Edmund N. Brown, and the plaintiff herein and said Edmund N. Brown surreptitiously and unjustly obtained the said design patent for that which was in fact invented or originated by another, to wit, the said Alfred R. Huntington, who was using reasonable diligence in adapting and perfecting the same.

14. Further answering, this defendant avers and says that, in view of the proceedings had and taken in the United States Patent Office during the prosecution of the application for the said letters patent No. 51,043, the claim forming part of the said letters patent cannot lawfully be construed as covering and embracing any device manufactured and sold by this defendant, or any substantial or material part thereof, but that said claim, if held

to be valid at all, must be so narrowly construed as not to cover or include the devices so manufactured and sold.

15. Wherefore, the said letters patent are null and void and have no effect to secure the plaintiff any exclusive right in or under the subject matter of the claim of the said letters patent.

16. This defendant denies that it has done any act or thing, or proposes to do any act or thing, which entitles the said plaintiff to an injunction or to an accounting or to any other relief.

All of which defenses said defendant is ready to further maintain and prove as this Honorable Court shall direct, and it prays to be hence dismissed with its costs in this behalf most wrongfully sustained.

WESTINGHOUSE ELECTRIC & MANU-
FACTURING COMPANY,

By T. P. GAYLORD,
Acting Vice-president.

Solicitor for Defendant.

WESLEY G. CARR,
Of Counsel. [13]

State of Pennsylvania,
County of Allegheny,—ss.

T. P. Gaylord, being duly sworn, deposes and says:

I am acting vice-president of the Westinghouse Electric & Manufacturing Company, the above-named defendant; I have read the foregoing amended answer to the bill of complaint in the suit

18 *Majestic Electric Development Company vs.*

of Majestic Electric Development Company, Plaintiff, vs. Westinghouse Electric & Manufacturing Company, Defendant, and know the contents thereof, and the same is true of my own knowledge, except as to the matters therein stated on information and belief, and as to those matters I believe it to be true.

T. P. GAYLORD,
Acting Vice-president.

Sworn to and subscribed before me this first day of May, 1920.

[Seal]

E. E. LITTLE,
Notary Public.

My commission expires at end of next session of Senate.

[Endorsed]: Filed June 9, 1920. Walter B. Maling, Clerk. [14]

(Order Designating Judge Dietrich to Sit in This Court.)

WHEREAS, in my judgment the public interest so requires, I hereby designate and appoint the Honorable FRANK S. DIETRICH, United States District Judge for the District of Idaho, to hold the District Court of the United States for the Northern District of California, during the months of August and September, 1920, and to have and exercise within said district the same powers that are vested in the judges thereof.

WITNESS my hand hereto this 23d day of August, 1920.

W. B. GILBERT,
Senior Circuit Judge of the Ninth Circuit.

[Endorsed]: Filed Aug. 24, 1920. W. B. Maling,
Clerk. [15]

At a stated term, to wit, the July term, A. D. 1920, of the Southern Division of the United States District Court for the Northern District of California, Second Division, held at the courtroom in the City and County of San Francisco, on Monday, the 4th day of October, in the year of our Lord one thousand nine hundred and twenty. Present: The Honorable MAURICE T. DOOLING, District Judge.

No. 492—EQUITY.

MAJESTIC ELECTRIC DEVELOPMENT CO.

vs.

WESTINGHOUSE ELECTRIC & MNFG. CO.

(Order Dismissing Bill, etc.)

In accordance with the opinion of Honorable Frank S. Dietrich, United States District Judge for the District of Idaho (before whom this suit was heretofore tried), which said opinion is this day filed, it is ordered that the bill herein be and the same is hereby dismissed, with costs to defendant, and that a decree be signed, filed and entered accordingly. [16]

In the United States District Court, Northern District of California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

No. 493.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

No. 544.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

No. 499.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Plaintiff,

vs.

HOLBROOK, MERRILL & STETSON, a Corpo-
ration,

Defendant.

(Opinion Dismissing Bill.)

JOHN H. MILLER, Attorney for Plaintiff.

WESLEY G. CARR, DAVID L. LEVY, NA-
THAN HEARD, and SAMUEL KNIGHT,
Attorneys for Defendants. [17]

DIETRICH, District Judge:

Four suits for infringement (numbers 492, 493, 499 and 544) were tried consecutively, in a large measure upon the same evidence, and have now been submitted upon the same argument. In each of them the Majestic Electric Development Company is the plaintiff; the Westinghouse Electric & Manufacturing Company is the defendant in numbers 492, 493 and 544, and Holbrook, Merrill & Stetson in 499. Numbers 492 and 499 are for infringements of United States design patent No. 51,043, issued July 17, 1917, to the plaintiff company, as the assignee of Edmund N. Brown, patentee, whose application therefor was filed May 28, 1917. Number 493 is for infringement of mechanical or utility patent numbered 1,245,084, issued by the United States on Oc-

tober 30, 1917, to the plaintiff, as the assignee of Edmund N. Brown, patentee, whose application therefor was filed July 10, 1917. And number 544 is for infringement of design patent numbered 51,253, issued by the United States on September 11, 1917, to the plaintiff, as assignee of Edmund N. Brown, patentee, upon an application filed July 10, 1917. Hence three patents are in suit:

Design patent No. 51,043, applied for May 28, 1917, issued July 17, 1917.

Design patent No. 51,253, applied for July 10, 1917, issued September 11, 1917.

Utility patent No. 1,245,084, applied for July 10, 1917, issued October 13, 1917.

All of the patents relate to a portable electric heater or its casing, and cover substantially the same device. It will be more convenient first to dispose of the suit involving the utility patent. The claims are as follows:

“1. An electric heater, comprising a concavo-convex reflector, a heating unit supported at substantially the focus of said reflector, an annular member extending outwardly from [18] the margin of said reflector, and a protective cage having guard wires arched between opposite sides of said annular member.

2. An electric heater, comprising a concavo-convex reflector, a heating unit supported at substantially the focus of said reflector, an annular member extending outwardly from the margin of said reflector, and a protective cage of arched guard wires hinged to said annular member so

that it may be swung outwardly from the reflector.

3. An electric heater, comprising a concavo-convex reflector, a heating unit supported at substantially the focus of said reflector, a concavo-convex casing extending over the convex side of said reflector and spaced therefrom except at the margins, said casing having an annular portion extending outwardly from the margin of said reflector, and a protective cage having guard wires arched between opposite sides of said annular portion.

4. An electric heater, comprising a concavo-convex metal reflector, a heating unit in space relation thereto, said reflector being provided with apertures having their margins bent to form flanges, insulating means upon either side of said flanges, and connecting devices extending through said insulating means and connected to the terminals of said heating unit."

In the specifications we are advised that the invention relates to improvements in electric heaters, in which the heat rays generated by a resistance coil or heating unit are reflected from a highly polished surface, and, further, that one of the main purposes of the invention is to provide means by which the highly heated portions of the device are inclosed by protecting members. While the phrase "beam heater" is not used in the application for patent, the device is so referred to and characterized in the trade. The purpose thereof is by reflection to concentrate the radiant energy upon a comparatively

small area, and thus to furnish the desired measure of heat within the range of the "beam," without the necessity of heating to so high a degree the entire space in the room. Admittedly an ideal beam, of substantially parallel rays, cannot be realized, and the various devices used for the purpose only [19] approximate such a result, some more closely than others. It is also well understood that the physical laws relating to the reflection of heat are the same as those pertaining to the reflection of light.

The position of the plaintiff is that the invention disclosed by the patent in suit is generic, and that thereby Brown introduced a broad fundamental idea theretofore unknown in the art, whereas the defendant contends that he only embodied a familiar conception in a slightly different form of mechanism. Correctly, it is thought, counsel for the plaintiff so defines the underlying issue, and unless in that respect its position is sustained it cannot succeed. Considerable testimony, it is true, was offered to show that certain members of the defendant's heater are the functional equivalents of similar parts of the patented device. But if the patent is held to cover, not a generic idea, but only minor improvements in a known mechanism, there is no infringement. It is possible, of course, to characterize the turned-over edge of the defendant's reflector as a flange, and to find that in a slight degree it performs the function for which the annular member or flange illustrated in the Brown patent was designed, but such an effect is merely incidental. Its primary pur-

pose is to give to the reflector strength and a finished appearance. It is to be observed that the reflecting member of the plaintiff's heater also has a turned-over edge, so that if we eliminate the annular flange we still have a reflector very closely corresponding to the reflecting member of the defendant's heater, including the turned-over edge, and hence the novelty or patented feature in the Brown device, namely, the broad flange, to which the claims doubtless relate, is not found in the defendant's heater at all. The correctness of this view may be readily demonstrated by removing the reflector in the plaintiff's heater from its casing and thus separating it from the protective flange. [20]

The defendant's heater has no casing by means of which in the plaintiff's device the back of the reflector is protected, and therefore there can be no contention of infringement in that respect.

There is no novelty in the plaintiff's wire guard or cage, unless it be in the hinging device, and the defendant's guard is not hinged.

If valid at all, the fourth claim must be narrowly construed, for the necessity of insulation and generally the means by which it is accomplished are matters of familiar knowledge, and such novelty, if any, as the claim discloses must be found in the minute details of construction; but in such details the defendant's insulating and connecting devices are substantially different.

If, then, the plaintiff can succeed only upon the theory that the invention is generic, is such a theory tenable? Admittedly the language employed in the

patent application does not aptly express a claim of that character. Nowhere does the applicant suggest the view that he has discovered the principle of a "beam heater," or any broad, fundamental idea in relation thereto. Upon the other hand, there is an implied recognition of the fact that the principle has already found expression in the art. One of the main purposes of the invention, the applicant declares, is to provide, not a beam heater or a beam of radiant energy, but the means for enclosing and protecting the highly heated members of such a heater. And when we consider the prior art, with which Brown was doubtless familiar, the reason for limiting his claims to minor improvements, and particularly to protective devices, becomes apparent. He was at the head of the plaintiff company, which at the time was actively engaged in manufacturing and marketing beam heaters, under the Shoenberg patent, of which it was the assignee. (United States No. 1,109,551, issued September 1, 1914.) And it is difficult to resist the conclusion that, when the plaintiff's heater No. 7, illustrated in the patent in suit, [21] was first put on the market in 1916, the plaintiff understood and assumed that it was protected by the Shoenberg patent. That in so far as concerns the general principle or generic idea this patent anticipates the one in suit is scarcely open to question. The invention is described as relating to electric heaters or radiators in which, as here, "the heat waves generated by resistance coil are directed by a polished metal reflector." Even in certain details now emphasized by the plaintiff there is substantial

identity, for Shoenberg also provided both a wire guard for the front and a protective casing for the back of the reflector. Distinction is sought to be made because the reflector illustrated in the Shoenberg patent differs in contour from the one illustrated in the Brown patent, but admittedly this difference is not of the essence. The latter also differs from the one used by the defendant, in that the one is hemispherical and the other parabolic. It is not a question of the specific form illustrated, but of the principle involved and the scope of the claims of the patent, and it would hardly be contended that one manufacturing a device in all other respects like that illustrated in the Shoenberg patent could escape a charge of infringement by showing that he used a purely parabolic reflector. That patent is broad enough to embrace either a parabolic or hemispherical reflector. It refers to the reflector merely as a "reflector," without specifying the form, or as being "dome-like," or "hemispherical," or as having an "inner concave surface." But it discloses the purpose and principle or generic idea quite as clearly as does the patent in suit, and if it does not fully anticipate the latter, it is only because of the wide annular flange in the later device and possibly certain details in the matter of insulating the conducting wire and connecting it with the resistance coil. One has only to glance at the photograph (Defendant's Exhibit "E") of plaintiff's exhibit at the Panama Exposition to see how fully the general principle of such a [22] heater had already in 1914 found expression in the art. It is true that the types

of reflector illustrated in the Shoenberg patent and employed by the plaintiff prior to the patent in suit created a less perfect beam, but the difference is in degree only. In this respect the defendant's heater is an advance upon the one put out by the plaintiff under the patent in suit. But aside from the Shoenberg patent, the principle is clearly disclosed in the earlier patents and in the prior art. In English patent No. 12,320, Kempton claimed that by the use of a reflector of "parabolic or conical shape," located in a fireplace or in open space, for the purpose of throwing the heat into the room, gas could be used for heating purposes as cheaply as coal. He shows a gas jet in the same relation to the reflector as here the resistance coil. The principle is suggested in the Morse patent (United States No. 881,017, March 3, 1908), illustrating a device for applying heat to a portion of the body, to be used in the practice of therapeutics. In the English patent for the "Simplex," (No. 19,971, September 4, 1914), there is a very complete disclosure. True here again the reflector illustrated has the configuration of a cone, but the inventor's preference for this form seems to rest upon considerations of economy of construction. He adds that it may be "parabolic or the like contour." The heating element both in form and in its relation to the reflector closely resembles that of the defendant's device, and the front of the reflector is fitted with a wire guard. The object of the invention we are informed "is to provide an apparatus of convenient form in which the radiant heat issues in the form of a condensed beam of rays, di-

vergent, approximately parallel, or convergent, as the case may be, and adapted to be pointed in any desired direction, horizontally or vertically." It would be difficult to state the principle [23] more clearly or comprehensively. This device was manufactured and generally advertised before the Brown application was filed. Material also are the Warner patent of December 8, 1914 (United States, No. 1,120,003), and the Gieger patent of August 8, 1916 (United States, No. 1,194,168), and the Taylor patent of November 16, 1916 (English, No. 102,070). Noteworthy also are the "Ferranti Fires," devices in the market and more or less generally advertised as early at least as 1911, as appears from the trade literature offered in evidence.

THE DESIGN PATENTS.

One of these patents covers a casing of the precise form illustrated in the mechanical patent just considered, and the other a casing similar in form, exclusive of the wide annular flange. There could be, and of course is, no claim for size, color, or material, nor, as I understand, does the patent extend to the supporting standard or pedestal, which is of the common telephone type. The patented designs, therefore, relate to the reflector and the protective devices, viewed, of course, in connection with the attendant heater element.

The first design, the one with the wide annular flange (No. 51,043), is not thought to be infringed by the defendant's devices. They are neither reproductions nor colorable imitations. True, there are points of resemblance; so there are also points

of resemblance between these devices and the common telephone and electric fan. In all reflectors, whether for headlights or heaters, there are similarities of appearance. So common is a concavo-convex reflector that the word reflector alone immediately suggests such a device. But taking the heaters here as a whole and excluding from consideration slight differences of detail, there are two important differentiating features: Whatever may be said in support of the view that the turned-over edges of the defendant's reflectors are the functional equivalents of the broad annular flange in the plaintiff's heater, [24] clearly in so far as affects appearance they are wholly dissimilar, and the broad flange is a conspicuous differentiating feature of the plaintiff's design. So of the heater element. As shown by the testimony of one of the plaintiff's witnesses, who first observed the Westinghouse heater upon passing a show-window where it was displayed, this is an outstanding feature in the appearance of the device,—the attention is arrested by it; and the incident so testified to is in accord with my own experience during the course of the trial. When it was necessary quickly to identify the plaintiff's device, grouped as it frequently was with many others in the courtroom, my eyes involuntarily sought the element as the most conspicuous distinguishing mark. If, therefore, we consider the entire assemblage—the reflector, the protective members, and the element—as the design, there is substantial dissimilarity in appearance.

But in the second place, in so far as they are alike, the plaintiff's casings, as well as those of the defend-

ants, are entirely devoid of purely ornamental features, either of form or drapery; they are nude utilities. That, of course, is not to say that they are without comeliness. By reason of their simplicity and symmetry and the "glow," they may be pleasing to the eye; but the point is that they are bare mechanisms, no parts or lines of which can be dispensed with or substantially altered without impairing their utility, and one cannot, under cover of a design patent, debar others from employing the mechanical means necessary to give effect to a known and useful mechanical principle, however pleasing to the eye such requisite mechanism may be.

In the third place, unless limited to the precise form illustrated in the drawing, the plaintiff's design is anticipated in prior patents, to some of which reference has already been made, and, in view of the prior art, is without invention. Indeed it is difficult to perceive upon what basis a claim of patentable novelty for No. 51,253, the design without the annular [25] flange, can be predicated. The casing shown is simply a reflector of the most familiar type, old in the art, and without novelty either in configuration or feature. True, upon placing the device of this design as actually manufactured side by side with the heater actually manufactured by the plaintiff under the Shoenberg patent, we have a substantial contrast in appearance, but the contrast is of material, color, and size, and not of form. Make both of the same size and finish them both in nickel or copper, and we have similarity instead of contrast. Who, without having the specific object in mind, would, after ob-

serving with reasonable care the drawing of patent 51,253, and thereupon being handed a photograph of the plaintiff's exposition exhibit, say with confidence that the device covered by the drawing is not shown in the photograph? The point is that in the absence of contrasting color or size there is a striking similarity in general appearance. Moreover, the design is almost identical with that shown in Figure 1 of the Taylor patent above referred to. (English, 102,070.) Substantial identity is expressly conceded by counsel for the plaintiff, who, however, contests the priority of the Taylor patent. It is true that while this patent was applied for on January 11, 1916, it was not finally issued until November 15, 1916. It is further true that Brown's "invention," as disclosed in his mechanical patent and his design patent 51,043 (covering the annular flange) was made as early as April, 1916, although the patents were not applied for until the following year. But if there is any evidence that the design invention of patent 51,253 antedates the application, which was filed July 10, 1917, it has escaped my attention. It is not without significance that in the application for the Taylor patent, made before any of the Brown "inventions," the applicant carefully limited her claim with the explanation that she was "aware that it is not broadly new to construct an electric radiator with a resistance wire wound spirally upon a tubular member made of refractory material, such resistance element being mounted in front of a reflector, with a protecting guard in front [26] of the element." In its more conspicuous features the plaintiff's design

also closely resembles the Warner device, the parabolic "Simplex," and the "Ferranti Fires." If it be said that the element in the Warner heater distinguishes its general appearance, the answer is that, as already noted, such distinction also exists between the plaintiff's designs and the alleged infringing devices.

As bearing upon the question of invention in either the mechanical or the design patents, or both, plaintiff puts great stress upon the fact that following the placing on the market of its No. 7 heater (the device with the broad annular flange), there was an increased demand and it soon went into general use, but while the fact is to be recognized as having weight, I have not deemed it sufficient, under all of the circumstances, to overcome the considerations hereinbefore stated. From the record it is manifest that in the period of four or five years immediately preceding the Brown patents there had come to be an unusual and widespread interest in the matter of electric heating. The invention of nichrome wire solved the problem of a dependable and efficient element, but the right to its use was involved in litigation, which was not finally concluded until about the time of the Brown patents. With this question out of the way, heaters began to be put on the market in increasing numbers, and doubtless by means of advertising and the arts of salesmanship, the desire for such heaters was greatly stimulated. In this work the plaintiff was active, but undoubtedly it was to some extent also the beneficiary of the activities of its competitors. It may be conceded that

its No. 7 heater was in some degree more efficient than its earlier devices, and was more attractive in appearance, but, as already pointed out, its attractiveness was due not so much to slight changes in form as to increase in size and more particularly a substitution of the warm copper bowl with suitable trim in the place of the nickel type of heater. [27] Furthermore, in the changes of social and housing conditions and in the rapidly growing tendency to use electrical energy for divers purposes in the home, may doubtless be found contributing causes for the increased demand. But whatever may be the full explanation, such popularity as heater No. 7 may have had and may now have cannot reasonably be attributed merely to the slight change in the contour of the reflector or the addition of the broad annular flange, or to both of these changes.

It is urged that in a measure the present design suits are ruled by the judgments recently procured by the plaintiff in this court against other parties, in actions at law for infringement of the same patents. The causes were tried with a jury, resulting in nominal verdicts for the plaintiff, and while they were pending upon writ of error in the Circuit Court of Appeals the parties made some adjustment, the nature of which is not disclosed, and accordingly, by agreement, the writs were dismissed. Just what effect should be given to the judgments under such circumstances is not entirely clear. It is, of course, not contended that they constitute a judicial estoppel. The judge who presided at the trial, it is true, must have entertained the view that the evidence

was sufficient to go to the jury, but there is nothing in the records to indicate what his conclusion would have been had he been called upon independently to decide the entire issue. I find no difficulty in accepting his views of the law as set forth in his charge; but while it is to be conceded that uniformity of decision in the same tribunal is highly desirable, and to that end, in the case of a doubtful issue, one judicial agency may with propriety defer to a precedent established by another of the same dignity, I am unable to say that here I entertain such doubt as would warrant me in subordinating my own judgment to that of the jury in the other cases, even if it be assumed that the evidence is substantially the same. [28]

There being no controversy touching such general principles of patent law as are involved, I have thought it unnecessary to add to the length of the opinion by stating them. Nor would it serve any useful purpose to review the cited cases. Altogether they are, of course, helpful, but no single one can be regarded as a controlling or even highly persuasive precedent upon the real issue, which is comparatively narrow, and more largely one of fact than of law.

For the reason stated, the bills must be dismissed, and such will be the decree in each case, with costs.

[Endorsed]: Filed Oct. 4, 1920. Walter B. Mal-
ing, Clerk. [29]

(Title of Court and Cause.)

Decree.

This cause came on to be heard before the Honorable FRANK S. DIETRICH, United States District Judge, at the July 1920 Term of court, on the 25th day of August, 1920, and thereupon was thereafter tried from day to day until and including the second day of September, 1920, upon the introduction of evidence oral and documentary, by each party hereto, and upon the argument of counsel; and thereupon after consideration thereof it was, on the 4th day of September, 1920, ORDERED that the bill of complaint be dismissed with costs to defendant, and that a decree be signed, filed and entered accordingly.

NOW, THEREFORE, it is hereby ADJUDGED AND DECREED that said bill of complaint be and the same is hereby dismissed, with costs to defendant to be taxed.

Dated: Nov. 1, 1920.

R. S. BEAN,
United States District Judge.

[Endorsed]: Filed and entered November 1, 1920.
Walter B. Maling, Clerk. [30]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

Stipulation in Re Statement of Evidence on Appeal.

IT IS STIPULATED AND AGREED by and between the parties to the above-entitled suit, that the annexed statement of evidence on appeal is true, complete and properly prepared, and that, under Federal Equity Rule 75, the same may be approved by the Honorable MAURICE T. DOOLING, Judge of and holding Court in the District Court of the United States for the Northern District of California.

Dated: December 16th, 1920.

JOHN H. MILLER,

Attorney for Plaintiff.

WESLEY G. CARR,

DAVID L. LEVY,

WALTER SHELTON,

Attorneys for Defendant.

IT IS ORDERED that the annexed statement of evidence in the above-entitled suit be and the same is hereby approved.

M. T. DOOLING,

Judge of the United States District Court for the Northern District of California.

Dated: December 17, 1920. [31]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MFG. CO.,
Defendant.

Statement of the Evidence Under Equity Rule 75 for the Purposes of Appeal.

This case came on for trial on August 25th, 1920, in the above-entitled court at the City and County of San Francisco, State of California, before Honorable FRANK S. DIETRICH, United States Judge for the District of Idaho, John H. Miller, Esq., appearing as attorney for plaintiff, and Wesley G. Carr, Esq., and David L. Levy, Esq., as attorneys for defendant.

John H. Miller made the opening statement on behalf of the plaintiff, and Wesley G. Carr made the

statement on behalf of the defendant, and thereupon the following proceedings were had.

Plaintiff offered in evidence the original letters patent No. 51,043, dated July 17th, 1917, issued to Majestic Electric Development Company, as the assignee of Edmund N. Brown, for the term of seven years, which said letters patent were received in evidence and marked "Plaintiff's Exhibit No. 1, Patent in Suit," and the same is hereby referred to and by such reference made a part hereof. [32]

Testimony of Edmund N. Brown, for Plaintiff.

EDMUND N. BROWN, being duly sworn, was called as a witness on the part of plaintiff, and testified on direct examination as follows:

I am 43 years of age and I reside at San Francisco; I am the president of the Majestic Electric Development Company, plaintiff in this suit. Its place of business is at 656 Howard Street, San Francisco, California, and consists in manufacturing Majestic Electric Heaters and Majestic appliances. I am the Edmund N. Brown referred to in the patent in suit, and I herewith produce one of the samples of the device referred to in that patent and marketed by the plaintiff. The tag attached to said device shows that it was offered in evidence by the plaintiff in a prior suit in this court of the Majestic Electric Development Company vs. Holabird Electrical Company, No. 16,100, where it was marked "Plaintiff's Exhibit No. 2." Thereupon the said device was offered and received in evidence and marked "Plaintiff's Exhibit No. 2, Brown

(Testimony of Edmund N. Brown.)

Patented Device," which said device is hereby referred to and by such reference made a part hereof.

(The witness continues:) My company, plaintiff, has placed these devices upon the market in a commercial way. The trade name I gave to this article which has been put in evidence as "Plaintiff's Exhibit No. 2" is "No. 7," and that is the name by which we sell it and by which it is generally known. The first commercial sale of that device was made by us in October, 1916, to Holbrook, Merrill & Stetson, in Los Angeles, California, and almost simultaneously to Harper & Reynolds of Los Angeles. We sold 500 of the devices to each of said firms; the devices so sold were the same as the model here "Plaintiff's Exhibit No. 2." The Boesch Lamp Company of San Francisco manufactured [33] the various parts of these devices for us with the exception of the electrical parts. We made the electrical parts and assembled the devices. Prior to this sale and shipment in October, 1916, I had made up a sample of the device in the early part of 1916, and I have an invoice under date of April 4, 1916, showing the same. The device so made at that time was identical with exhibit No. 2 except that it had a blue finish instead of a red finish, that is to say, the back of the heater, the base and the stem were colored blue, whereas those portions of exhibit 2 are colored red. With that exception the device made up by me in April, 1916, was identical with exhibit 2. I went East in April, 1916, first going to Canada, afterwards to New York and Philadelphia. I took

(Testimony of Edmund N. Brown.)

the heater which I made in April, 1916, with me and showed it to people to figure on its cost of manufacture. I went to several people with that idea and got prices from them as to what they would charge to manufacture the device. My headquarters were in New York, and we opened a plant in Philadelphia that year. I was east on that trip about four months. I first went to Canada and showed the device up there, then I went back to New York and showed the machine where I solicited bids for the cost of manufacture. I then went to Philadelphia for the purpose of opening up a plant there and subsequently made arrangements to open up said plant, and did open up the same and it has been operating to this day. We manufactured these heaters there and sold them all over the Eastern territory and foreign countries. I returned to San Francisco in August, 1916, and immediately arranged with the Boesch Lamp Company for dies to be made so that we could manufacture these heaters in quantities; the Boesch Company has continued to make them ever since for us, and they make them for us now. The devices which we sent to Los Angeles in October, 1916, gave general satisfaction so far as I could see, and after that we made and sold them during the [34] remainder of the year. Our first order to the Boesch Lamp Company was for 5,000 and we made 2,000 in addition thereto. During the remainder of the year 1916 we made and sold some 7,000 or 8,000 of the devices covering the entire territory of the United States and foreign countries.

(Testimony of Edmund N. Brown.)

We continued to manufacture them in 1917, 1918, 1919 and 1920, and have been manufacturing them ever since. During that period I should say roughly speaking, we have sold in the neighborhood of 350,000 or 400,000; that is an approximation. We also manufactured some at Philadelphia. We also had an office in Kansas City. Plaintiff is now manufacturing them both at Philadelphia and San Francisco. After the sale of the first thousand in October, 1916, the demand increased very much, and the business is now a large one extending generally over the world, you might say. We send them into practically every foreign country, China, Japan, New Zealand, Australia, Spain, France, Great Britain, Italy, Denmark and South American countries—practically all countries.

I am familiar with the former suits which were brought in this court by the Majestic Electric Development Company against the Holabird Electrical Company and Hale Brothers, Inc., with reference to infringement of this patent, and am familiar with the devices which were used in that case and testified to as being and decided as being infringements of the patent in suit, and can pick out the same from the exhibits now present. (Here the witness picks out from the exhibits before him and used in the said identified cases two exhibits and the same were thereupon offered in evidence and marked respectively "Plaintiff's Exhibit No. 3" and "Plaintiff's Exhibit No. 4.")

I am familiar with the device put on the market

(Testimony of Edmund N. Brown.)

by the Westinghouse Electric & Manufacturing Company, defendant herein. I think it was in 1918 that I saw the first one. I have one of those devices here which was put in evidence in the prior [35] litigation and marked "Plaintiff's Exhibit No. 17, Westinghouse," and I herewith produce it. (Such exhibit was then offered and received in evidence and marked "Plaintiff's Exhibit No. 5, Westinghouse Device.")

I have seen the Westinghouse device on sale in various stores in different parts of the country.

Thereupon the following question was put to the witness:

"Q. Now taking the case of an ordinary person who was familiar with the Brown heater No. 7, which has been put in evidence here, and had never seen or heard of a Westinghouse heater, and who desired to purchase a Brown heater, and who should go into a store and be shown a Westinghouse heater such as the exhibit which has been put in evidence here, what, in your opinion, would be the impression conveyed by the appearance of that heater upon the mind of such a person as that, using such care as persons of that kind usually use when desiring to purchase an article of that kind, so far as similarity of appearance is concerned?

"Mr. CARR.—I object to that as calling for a question of opinion, an expert opinion or any other kind of an opinion, as to which this man is entirely incompetent; also irrelevant, but especially incompetent."

(Testimony of Edmund N. Brown.)

The objection was sustained and to such ruling plaintiff excepted, the same being Exception No. 1.

At this point it was admitted by defendant's counsel that the defendant had manufactured and sold since the date of the patent in suit electric heaters shown, illustrated and identified by the Plaintiff's Exhibit No. 5.

Plaintiff then offered in evidence a letter admitted to be written by J. H. Miller, attorney for the Majestic Electric Company, to the Westinghouse Electric & Mfg. Co., dated July 29th, 1919, reading as follows:

San Francisco, July 29, 1919.

Westinghouse Electric & Mfg. Co.,

East Pittsburgh, Pa.

Gentlemen:

On behalf of the Majestic Electric Development Co. of this city, I desire to inform you that the electric heaters marketed by you are infringements upon some of the electric heater patents owned by the Majestic Co. and I must request that you desist from further sale of such heaters. In a suit recently tried in the U. S. District Court of San Francisco, brought by the Majestic Electric Development Co. against the Hotpoint Electric Heating Company and its agents, it was decided that the so called Hedlite heater formerly manufactured by the Hotpoint Electric Heating Co. and now being manufactured by the Edison Appliance Co. is an infringement [36] upon design patent No. 51,043, owned by the Majestic Company. In the trial of that case, one of the

(Testimony of Edmund N. Brown.)

Westinghouse heaters was in evidence and tested out. It is as much an infringement of this design patent as is the Hedlite heater. Not only is it an infringement of the patent mentioned, but it is likewise an infringement of design patent 51,253 and mechanical patent No. 1,245,084 both owned by the Majestic Electric Development Co.

On July 19th, I wrote to your attorney, Mr. Wesley G. Carr, advising him of these matters, but have had no reply from him.

We had hoped that after the decision of the Court in the above case, that your company would respect the decision and discontinue the infringements; but the fact seems to be that you are disregarding said decision, and continuing with the marketing of your infringing heaters. This causes us considerable damage and some of our orders are being cancelled on account of your infringing operations.

We beg, therefore, to call your attention to this matter and ask that you discontinue this infringement, otherwise we shall be compelled to commence legal proceedings against you or your agents. Before doing so, however, we beg that you will advise us of your intentions in the matter, and therefore we shall wait a reasonable length of time before commencing court proceedings.

Yours very truly,

JOHN H. MILLER."

Plaintiff also offered in evidence a letter written by Wesley G. Carr, as attorney for Westinghouse

(Testimony of Edmund N. Brown.)

Electric & Mfg. Co., to John H. Miller, Esq., under date of August 4, 1919, reading as follows:

“Mr. John H. Miller,
723 Crocker Bldg.,
San Francisco, Cal.

Dear Sir:

Your letter of July 29, addressed to the Westinghouse Electric & Manufacturing Company has been referred to me for attention. Your letter of July 19, addressed to me and covering the same subject-matter, was given careful attention and I replied to it in detail on July 25th. My reply to your former letter is believed to constitute an adequate reply to yours of July 29 except that it does not state specifically whether the Westinghouse Company will or will not discontinue manufacturing the heaters of which you complain. For reasons which I set forth in my former letter, I cannot see that the Westinghouse Company would be justified, at the present time, in retiring from the field as you expect, or at least, desire it to do.

Yours truly,
WESLEY G. CARR,
Attorney.”

Thereupon the following question was propounded to Mr. Edmund N. Brown, to wit:

“Q. Mr. Brown, in this letter that was written on July 29, 1919, to the defendant in this case, it is stated that some of your orders are being cancelled on account of the infringing operations of the de-

(Testimony of Edmund N. Brown.)

fendant; just state whether that is the fact, and if so, what are the details?" [37]

This question was objected to by defendant's counsel on the ground that it was irrelevant and immaterial in this controversy. The objection was sustained. Thereupon plaintiff's counsel excepted (Exception No. 2).

Thereupon the following question was put to the witness Brown by plaintiff's attorney, to wit:

"Q. State whether or not your company has lost any sales of its No. 7 heater by reason of the fact that the Westinghouse heater has been on the market."

This question was objected to by defendant's counsel on the same grounds and the objection was sustained, to which plaintiff excepted (Exception No. 3).

(The witness continued:) When we commenced to sell our No. 7 heaters, the price was \$7.50, and the present price is \$11. After the issuance of the patent in suit we marked our No. 7 heaters with the date and number of the patent.

Cross-examination of the Witness BROWN.

On cross-examination, the witness Brown testified as follows: The price of our No. 7 heater is determined by two factors; one is the license agreement with the Hoskins Company the patentees of the resistance wire which we use, who placed a minimum charge on heaters of this type, and the second is the cost of manufacture. Our company has a license from the Hoskins Company under the Marsh patent for the alloy wire. We do not use nichrome; we

(Testimony of Edmund N. Brown.)

use what is manufactured by Hoskins and called chromel A. Nickel chrome alloy would be more correct. We have been operating under license from that company for the Marsh patent I think since the fall of 1916. It was on my eastern trip in 1916 that we were granted a license.

Our more recent No. 7 heaters are provided with a name plate bearing the date "Patented September 1, 1914." That refers [38] to patent No. 1,109,551 granted to Majestic Electric Development Company on an application filed by Milton H. Shoenberg bearing that date, September 1, 1914.

Redirect Examination of Witness BROWN.

On redirect examination said witness testified as follows:

Regarding the license under what has been denominated as the Marsh patent, that refers to this resistance wire which is wrapped around this coil which we purchased from the Hoskins Manufacturing Company, which company controlled a patent for alloyed wire. It is just the wire itself that is covered by the patent and not the device itself. It is the alloy from which they make this particular kind of wire that is acted upon by electricity in the most advantageous way, whereas a different kind of wire, it seems, would not answer the purpose. The patent covers the alloy. The same resistance wire is used on toasters and in irons, and other electrical devices.

Testimony of Milton H. Shoenberg, for Plaintiff.

MILTON H. SHOENBERG, being duly called as a witness on behalf of plaintiff, testified as follows:

I reside in San Francisco and am 45 years of age. I am associated with the Majestic Electric Development Company whose place of business is 656 Howard Street, San Francisco. I am familiar with plaintiff's heater No. 7 represented by "Plaintiff's Exhibit No. 2." The plaintiff has put that device on the market. They began some time in 1916. I became actively associated with the company in 1917. I remember Mr. Brown going East in 1916. Before he went East I saw the heater which he had and which he took east with him, as testified to by him. After I became associated with the company in 1917, they continued the sale of the No. 7 heaters. I could not say as to the [39] number of heaters sold, because I am not in the sales department. I am the superintendent, but I do know that there have been extensive sales for these No. 7 heaters extending over the entire world.

Testimony of Mrs. Henry Labatt, for Plaintiff.

Mrs. HENRY LABATT, having been duly called as a witness and duly sworn, testified on behalf of plaintiff as follows:

I live in San Francisco, and have lived there for about six years. My residence is the Chesterfield Apartments, 560 Powell Street. I have seen and am familiar with the electric heaters which Mr. Brown and Mr. Brown's Company, Majestic Elec-

(Testimony of Mrs. Henry Labatt.)

tric Development Company sold. I recognize "Plaintiff's Exhibit No. 2" as one of these heaters. I have been familiar with them since they were first manufactured. I have also seen the heater of the kind represented by Plaintiff's Exhibit No. 5, having the Westinghouse name on it. The circumstances under which I first saw a Westinghouse heater were these. I was going out Sutter Street one afternoon, and I chanced to look at the exhibit outside of the Liberty, and I saw the heater, and I said: "Mr. Brown has a new stove out, and he has changed the element." It struck me so forcibly, I walked on a few feet and then I turned and went back to examine it more closely. I did not like the way he has changed the element. I liked the other element better.

Thereupon the following testimony was given by the witness:

"Q. When you first saw the heater, what impression was produced on you?

"A. It struck me as a Majestic heater, that is, I stood looking at it for a few minutes, and I chanced to see the word 'Westinghouse' on it. I took it for a Majestic heater when I first passed. [40]

Q. You say that when you first saw it you passed down the street a little ways?

A. Yes, just two or three feet, and I thought to myself I would go back and look at it, because it struck me that Mr. Brown had changed the element.

Q. Then, when you went back, did you examine the heater more closely then?

A. Yes, I stood and looked at it for a few min-

(Testimony of Mrs. Henry Labatt.)

utes, and still thought it was a Majestic, and then I chanced to see the little name down there, 'Westinghouse.'

Cross-examination.

Mr. CARR.—Q. What relation do you have to the Majestic Electric Development Company?

A. None whatever.

Q. Prior to your noticing this Westinghouse heater, had you ever seen and observed any other heaters of this general appearance except the Majestic?

A. Well, I had noticed the Hotpoint, when they first came out, that it was very similar to Mr. Brown's.

Q. Did you ever mistake the Hotpoint heater for the Majestic? A. No, sir.

Q. What was the striking feature that impressed itself upon you?

A. Just as I said, I thought that Mr. Brown had changed the position of the element in the heater.

Q. In your casual inspection, or notice of this device, you had substantially the same view of it as you have now, that is, a direct front view of it?

A. Yes.

Q. Did you examine it from any other point of view?

A. I went back and looked at it and examined it, and I still had the thought of Mr. Brown changing the element. I still thought it was a Majestic heater. I was convinced until I saw the name that it was a Majestic heater.

Q. But you did not examine it except from the

(Testimony of Mrs. Henry Labatt.)

front, looking at the front of it?

A. I saw the heater from the rear as I came up the street. I had seen that; it stood outside. I took a good look at the heater, and still thought, until I saw the name, that it was Mr. Brown's heater.

Q. Are you familiar in a technical way with devices of this kind, and do you understand their structure and mode of operation and the method of manufacture generally about them?

A. To the extent that I have always been fond of electricity, and as a housewife I have used many of the appliances in different ways.

Q. You have not been engaged in any way with the manufacture of them, or connected with the manufacture of them? A. No, sir.

Q. Or sale? A. No, sir.

Q. Have you used devices of this general character in your home?

A. You mean stoves, the little cook stoves, heating stoves?

Q. I mean devices of this character, for this purpose, these so-called beam heaters.

A. No, I have never used those heaters.

Q. Why do you use the term 'element' with reference to this part of the device?

A. Perhaps that is not the technical term, but I just thought that was the element; that is what I call it.

Q. You did not devise that yourself, did you?

A. No, I just always called the heating part of the [41] stove the element of the stove. I may

(Testimony of Mrs. Henry Labatt.)

be wrong in that, but that is what I called it.

Q. You are familiar with the use and operation of these heaters, are you?

A. I have seen them used.

Q. You have seen them in operation?

A. Yes, sir.

Q. Have you seen them in operation tilted at different angles?

A. I have the Majestic.

Q. But this one is not tiltable, is it? (Referring to Plaintiff's Exhibit No. 2.)

A. It does not look to me right now as though it is tilted. When they have them outside on display I rarely have seen them tilted. They just have them in the position that the Majestic is now. So I never have paid very much attention to that. That is the position I saw this one in.

Q. The feature that really impressed you, as I understand it, was the position of the part you term the "element"?

A. And the model of the stove is so similar to the Majestic, the whole structure of the stove is so much like the Majestic?

Q. Except that feature?

A. Yes. That was not, and therefore, I thought that Mr. Brown had changed the element.

Q. If I correctly understand the previous statement of yours, you really never noted and never observed whether the Majestic device was adjustable or tiltable at different angles, such as is possible and readily available with this Westinghouse device; is that correct?

(Testimony of Mrs. Henry Labatt.)

A. Yes, I did. I knew it was adjustable.

The COURT.—Q. You knew that Mr. Brown's device was adjustable—the Majestic?

A. The Majestic.

Q. That it could be tilted? A. Yes, sir.

Mr. CARR.—Q. That is not true, however, of this device shown to you, this Plaintiff's Exhibit 2? A. Well, one model is.

Q. If you have never had one of these devices of your own, how does it happen that you are so familiar with the structure?

A. I have friends who have the stove. At one time I was very much interested in getting one of the stoves, and I examined into it very thoroughly.

Q. Have you ever visited the establishment where these devices are manufactured?

A. Which devices?

Q. The Majestic? A. Yes, sir.

Q. You have seen more or less of the process of manufacture?

A. No, sir, I have not. I have just been through the establishment, but I have not seen the process of manufacture of it. I have been through the establishment.

Q. Are you in any way related to Mr. E. N. Brown? A. No, sir.

Q. Just a friend? A. Just a friend.

Q. Are you able to state what outstanding characteristics of the Westinghouse device caught your attention on the occasion you mention?

A. I thought Mr. Brown had changed the element in his stove, because the construction is so

(Testimony of Mrs. Henry Labatt.)

much like the other, like the Majestic.

Q. You observed that it was apparently an electrical heater, having a copper bowl-shape reflector?

A. Well, I just thought it was Mr. Brown's heater. I had no other thought but that that was Mr. Brown's heater, and that he had changed the element in the heater. That is what impressed me as I passed by the stove.

Q. Prior to that time had you seen at any place Majestic Company heaters of different sizes?

A. Yes, sir. [42]

“Q. I mean different from the one before you, Plaintiff's Exhibit No. 2? A. Yes, sir.

Q. Both larger and smaller? A. Yes, sir.

Q. Otherwise different in shape?

A. Some of the heaters are of different shape. The round heaters are all of the same shape.

Q. With reference to the Majestic factory, have you made more than one visit to that factory?

A. I think I have only been there once or twice, but perhaps not through the factory, just in the office.

Q. How recently? A. It has been a long time.

Q. Did you examine what you found there with any particular degree of particularity?

A. No, sir. I did not go for that purpose; I just went with a friend to go through.

Q. And was it there you saw these round heaters, as you have termed them, of different sizes, or have you seen them elsewhere?

(Testimony of Mrs. Henry Labatt.)

A. I have seen those in the windows, and I have had friends who had them and used them. I noticed that heater when it was first on the market."

Testimony of Edmund N. Brown, for Plaintiff.

Here E. N. BROWN, by permission of the Court, was recalled for further examination, and testified as follows:

I note that this heater, Plaintiff's Exhibit No. 2, is not tiltable so as to be tilted at different angles, but we put on the market also one that *is* tiltable or adjustable at different angles, and that heater is now on the market by my company. There is a joint in there we call a swivel, and it tightens up with a screw. That makes it adjustable or tiltable.

Testimony of J. R. Hiller, for Plaintiff.

J. R. HILLER, being called as a witness and duly sworn, testified on behalf of plaintiff as follows:

I have resided at San Francisco, California, about 22 years, and am manager of the Boesch Lamp Company, a corporation located at San Francisco. I am familiar with the Brown heater, known as No. 7, and we have manufactured a portion of these heaters for the Majestic Electric Development Company and for Mr. Brown. We have manufactured a great many for them, I should judge between 100,000 and 200,000. The first one we made was in April, 1916. I have with me the invoice showing the [43] date of April 4, 1916, and I can verify that

(Testimony of J. R. Hiller.)

date from our books. That heater did not differ from Plaintiff's Exhibit 2, except as to a different colored enamel. That portion of Exhibit No. 2 which is of a red tint was enameled blue in the heater referred to; that was the only difference. Mr. Brown went east directly after April 4, 1916, and returned some time about July or August of that year. He sent for me to talk over the production of this heater in quantities and asked estimates as to costs. I gave him estimates, and the result was an arrangement between the two companies for the manufacture of these heaters in quantities. We started in to manufacture an order for 5,000. Of course we had to make tools and it took us a month or two to get those tools into use, but before we had the 5,000 delivered we had other orders. The quantity ran considerably over what we estimated. We manufactured and delivered the first order for 5,000 and after that we delivered 10,000, and continued on up to the present time. We are making and delivering them up to date.

I have seen the Westinghouse heater such as is shown by "Plaintiff's Exhibit No. 5," with the Westinghouse name and trademark on it, and I know of occasions where there has been confusion created in the market by the similarity of that heater to Mr. Brown's No. 7 heater. The minute that there was another heater of that design put on the market, our attention was brought to the fact, and friends who were aware that we were manufacturing Brown's heater drew our attention to it,

(Testimony of J. R. Hiller.)

and from time to time our attention was perhaps forcibly brought to the fact. I recollect one particular time. It must have been in 1917 or 1918, I was called to Sacramento to give estimates on manufacturing goods for the aeroplane factory that was started there, and I had to see a Mr. Jordan who was general manager of that organization. He had been down to our place and I had shown him through the factory, and he sent for me to come up [44] there to Sacramento. When I arrived at the aviation grounds it was quite chilly. Mr. Jordan made apologies for the chilliness of the room. He said that if we had been putting up a little better product than what we were that would not have happened. He said, "Maybe you can fix up those two heaters of yours in there for me." I said, "What is the trouble?" He sent for a couple of heaters and brought them in and set them down before me. He said, "They don't work." I said, "Well, I don't know anything about those kind of heaters; those are not our make; they are not what we are making." He said, "They are not?" I said, "No. That is another make of heater, not what we are producing." He seemed to be somewhat astonished and said, "It looks very much like it." I showed him there was a slight difference in the element, and one thing and another, but in general appearance they were the same. I presume he purchased them on the strength of that. However, I was unable to do anything for him and that incident was passed. Those were Hotpoint heaters.

(Testimony of J. R. Hiller.)

Regarding matters of a similar nature in reference to the Westinghouse heater. I had never seen a Westinghouse heater, and one day I went into a store on Mission Street, looking at some electric motors. In the course of conversation in reference to business they wanted to know what we were doing principally, and I said, "We are making heaters still." The salesman said, "Are you still turning them out? We just bought one; it is upstairs." He then asked if there was quite a sale for them and I said, "Yes, we have been kept pretty busy on them." We were in the basement when this happened. When we went upstairs I went into his office and looked down and saw the heater, and I saw that big "W" on it, and I sized it up thoroughly. It was the first time I had seen one of their heaters. What passed through my mind at the time was that it was a new imitation of the heater we are putting out. It was one I had not seen, and I came to the conclusion that it was [45] not very good for our business, but as we were not concerned in the patents on it, I mentioned nothing about it and went away. That was one instance.

While I used to devote some of my time in the store taking care of customers, several times these heaters have been brought in there by people who were aware that we were manufacturing heaters and asked us to make repairs on them. I remember a Westinghouse heater having been brought in there and other makes brought in for repairs. Evidently the people had been directed to us as man-

(Testimony of J. R. Hiller.)

ufacturers of that heater. Of course we were not in the business of repairing electrical goods, we were manufacturing heaters, the metal portion of it. We directed the people who had Majestic heaters to the Majestic Electric Development Company. Some of the Westinghouse heaters were brought into our place that way, and we received telephone messages from time to time to send someone up to repair the heaters. On inquiry if they called the name of it, we would tell them what we could in reference to it. We did not do any of those repairs.

Cross-examination of J. R. HILLER.

On cross-examination, the witness testified as follows:

In reference to the incident of the Westinghouse heater testified to on direct examination, it was at the Widenthal & Gosliner motor house, at the corner of New Montgomery and Mission Streets, and I was talking with a salesman whose name was Wentworth. Since that time he has become General Manager of the institution.

Thereupon the following testimony was given by the witness:

“Q. He told you merely that he had one of these heaters? A. That he had one of our heaters.

Q. One of your heaters?

A. Yes. I consider that heater is our heater just as much as Mr. Brown's. We are making it; we are doing the mechanical work on it. While it is not being sold by us as the owners of the patent, it is one we are making. We are just as much con-

(Testimony of J. R. Hiller.)

cerned in the production and efficiency of it as anybody.” [46]

(Witness continues:) I did not ask Mr. Wentworth from whom he purchased the heater. He said he had just purchased it and I saw it there in the office.

In reference to those other incidents mentioned, I was told and led to believe that the heaters in question were Majestic heaters. Up to the moment that he showed them to me I expected to see Majestic heaters. His conversation had all been directed in that direction. He evidently thought they were Majestic heaters himself, or he would not have spoken to me as he did. He didn't mention the name Majestic, but he did bring two heaters in there that he accused me of being the producer of, and that were out of order, and he wanted me to repair them. He had seen us producing them in the factory and admired them, and asked me some questions about them at the time when he was through our factory a few days previously. I know that when I take anything for repair, if I know it is being manufactutred in a certain place, I take it to where I know it is being manufactured to have repairs made in order to get the best results. That is true of machines of any kind or character.

I cannot tell you the exact language that Wentworth used. I was talking about matters and business, and how business was, and he mentioned that we were busy with heaters, and he mentioned that he just purchased a heater, one of our heaters. There was nothing said further and we went back

(Testimony of J. R. Hiller.)

to the subject of motors. When I went upstairs and went into his office I saw the heater, and I was very much surprised; I noticed the "W" on it. I had not previously seen one of these heaters. It just passed through my mind—"Another infringer on the patent," that I presumed existed.

"Q. He might have said, 'I have just purchased one of these heaters such as you make,' might he not?

A. Had he said that, I would have forgotten the incident, it would have gone entirely out of my mind, because I know that people are purchasing these heaters here, there, and everywhere; but he said, 'One of your heaters,' it was forcibly drawn to my attention that he must have been misled. That fact could not be changed. It was not my business where he purchased his heater, and I [47] had no right to question him about it and I didn't.

Q. Well, whatever he said, he conveyed to you the impression that in his mind he had purchased one of the heaters turned out by your establishment?

A. That was what was conveyed to me at the time.

Q. But these other instances you mentioned merely because heaters were brought in to be repaired?

A. I cannot say I mentioned the incident at Sacramento as one of them.

Q. But those were not Westinghouse heaters?

(Testimony of J. R. Hiller.)

A. Well, the people who brought them into the store, of course those people were strangers, and we were not anxious for any repair work, and we directed them to some other place. We were aware of the fact, though, that it was just one more incident to draw our attention to the fact that people knew we were producing the heater.

Plaintiff then produced from the records of this court the judgment-rolls in the case of Majestic Electric Development Company versus Holabird Electric Company, No. 16,100, and the Majestic Electric Development Company versus Hale Brothers, Inc., No. 16,103, and it was stipulated that they should be considered as having been offered in evidence. The said judgment-rolls are hereby referred to and by such reference made a part hereof as fully and completely as though the same were incorporated herein.

Thereupon the plaintiff rested its *prima facie* case. [48]

DEFENDANT'S TESTIMONY.

Defendant produced and offered in evidence page 79 of a printed publication entitled "The Electrical Times," dated January 25, 1912, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 1," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 37 of a printed publication, entitled "The "Electrical Times," dated January 11, 1912, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 2," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 239 of a printed publication, entitled "The Electrical Times," dated March 7, 1912, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 3," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 362 of a printed publication, entitled "The Electrical Times," dated March 6, 1913, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 4," the same being hereby referred to and by such reference made a part hereof. [49]

Defendant produced and offered in evidence page 364 of a printed publication, entitled "The Electrical Times," dated March 6, 1913, published at London, England, and by stipulation of

counsel it was agreed that the original be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 5," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 214 of a printed publication, entitled "Supplement to the Electrician," dated October 3, 1913, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 6," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 353 of a printed publication, entitled "The Electrical Times," dated October 9, 1913, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 7," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 591 of a printed publication, entitled "The Electrical Times," dated December 4, 1913, published at London, England, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substi-

tuted therefor, which photographic copy was then offered in evidence and was marked "Defendant's Exhibit 8," the same being hereby referred to and by such reference made a part hereof. [50]

Defendant produced and offered in evidence page 12 of a printed publication, entitled "Supplement to the Electrician," published at London, England, dated October 16, 1914, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 9," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 162 of a printed publication entitled "The Electrical Times," dated August 31, 1916, published at London, England, and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy thereof be substituted therefor, which said photographic copy was then offered in evidence and was marked "Defendant's Exhibit 10," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 163 of a printed publication, entitled "Supplement to the Electrician," published at London, England, dated August 16, 1912, and by stipulation of counsel it was agreed that the original should be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was then offered in evidence and was marked "Defend-

ant's Exhibit 11," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence an advertising insert, page 2, of a printed publication entitled "The Electrician," dated September 20, 1912, published in London, England, and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was offered in evidence and marked "Defendant's Exhibit 12," the same being hereby referred to and by such reference made a part hereof. [51]

Defendant produced and offered in evidence page 1 of a printed publication entitled "Prometheus," dated October 3, 1906, published at Berlin, Germany, in the German language, and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was offered in evidence and was marked "Defendant's Exhibit 13," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 11 of a printed publication, entitled "Prometheus," dated October 3, 1906, published at Berlin, Germany, in the German language, and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy substituted therefor, which said photographic copy was offered in evidence and marked "Defendant's Exhibit 14," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence

page 14 of a printed publication entitled "Electrical Record," dated May, 1907, published at New York City, New York, and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy thereof be substituted therefor, which said photographic copy was offered in evidence and marked "Defendant's Exhibit 15," the same being hereby referred to and by such reference made a part hereof.

Defendant produced and offered in evidence page 19 of a printed publication entitled "Electrical Record," dated May, 1915, published at New York City, N. Y., and by stipulation of counsel it was agreed that the original be withdrawn and a photographic copy thereof substituted therefor, which said photographic copy was offered in evidence and marked "Defendant's Exhibit 16," the same being hereby referred to and by such reference made a part hereof. [52]

Defendant produced and offered in evidence an electric heating device which was marked "Defendant's Exhibit 'A,'" and it was admitted by counsel for plaintiff that said device was manufactured and sold by the Majestic Electric Development Company more than two years prior to the date of application for the patent in suit.

Defendant also produced and offered in evidence another electric heating device which was marked "Defendant's Exhibit 'B,'" which said device was a duplicate of a device offered and received in evidence in the prior litigation as "Defendant's Exhibit 'E,'" and it was admitted by plaintiff's counsel that the said device was made and sold by the

Majestic Electric Development Company more than two years prior to the application for the patent in suit.

Defendant then produced and offered in evidence another electrical heating device which was received and marked as "Defendant's Exhibit 'C,'" the same being a duplicate of a device which was offered and received in evidence in the said prior litigation, and there marked "Plaintiff's Exhibit 13," and it was admitted by the plaintiff's counsel that such device was made and sold by the Majestic Electric Development Company as early as the fall of 1915.

Defendant produced and offered in evidence another electrical heating device which was marked "Defendant's Exhibit 'D,'" and it was conceded by plaintiff's counsel that such device was made and sold by Majestic Electric Development Company more than two years prior to the application for the patent in suit.

Defendant produced and offered in evidence and the same was marked "Defendant's Exhibit 'E,'" a photograph of the Majestic Electric Development Company's exhibit at the Panama Exposition prior to May, 1915. [53]

Testimony of Victor S. Beam, for Defendant.

Defendant then produced as a witness VICTOR S. BEAM, who having been duly sworn, testified as follows:

I am 44 years of age and reside at Maplewood, New Jersey; my occupation is electrical and

(Testimony of Victor S. Beam.)

mechanical engineer with offices at 165 Broadway, New York City, I graduated in Electrical Engineering from Princeton University, in 1899. From there I entered the employ of the Westinghouse Electric & Mfg. Co. in July, 1899, and have been connected with that Company either directly or indirectly ever since. I am still in the employ of that company. During my employment with the Westinghouse Company and others I became quite generally familiar with the design and operation and construction of various electrical devices and machines manufactured in this country and have always followed the electrical heating art quite closely. I am quite familiar with the laws and rules governing those devices and the design and operation of the same.

The following question was propounded to the witness by defendant's attorney, viz:

“Q. Please give the pertinent portions of the history of this specific art as applicable to the plaintiff's and defendant's heaters now before the court?”

Plaintiff's counsel objected to said question as entirely improper because it calls for the opinion of the witness in that it calls for what he considers to be the pertinent part of the prior art and also those parts that are applicable to this device.

The objection was overruled, to which ruling plaintiff excepted, and thereupon the defendant's witness answered as follows:

“A. These devices and the patents relate to a spe-

(Testimony of Victor S. Beam.)

cial form, a special type of electric heating, namely, the heating of the object; they are not attempting to heat the whole room or enclosure in which the object is located. The object is usually a person who wants to be warmed, and that purpose necessarily brings in the matter of portability; the device should be [54] portable, so as to be carried around from one place to another in the room, or from one room to another; and of course, if the owner moves from one part of the city to another, to take it with him. It is related quite closely to the electric light art. It was quite old to have flash lights to carry around when you wanted to light up a particular object; you would not have enough current to light the whole room, but you would simply light the particular object you were interested in. They have search-lights on boats and other places, selective in application so that they only light up one or a few objects at a time.

They have had flood light projectors, in which large quantities of light were generated, and used to light up large objects, and oftentimes buildings. That art is quite old. Flood lighting was done in numerous places, and I daresay it goes back to 1905 and 1906, at least, but it reached almost perfection at the Panama Pacific Exposition in 1915 at San Francisco. The previous World's Fairs had been lighted in a very extensive manner, with the requirement of wiring the outside of the building. At the Buffalo Exposition in 1901, that was quite a feature; they used current from Niagara Falls to light up the outside of the building, in order to get the esthetic

(Testimony of Victor S. Beam.)

effect. That was much advertised. In the exposition in 1904 at St. Louis that plan was likewise followed, but at the Panama Exposition in San Francisco they simply selected the object in a large area and lighted that up. Also headlights use the same scheme. Of course, heat and light are really undistinguishable, because no one has yet produced a source of light that does not give heat; that is the great object that nobody has yet done. Likewise, when you try to get electric heating, you do not get it very effective unless you have some light with it to attract the eye; you must light up the device, because there is a certain amount of psychology about it; you have got to have people attracted by the heat and the light. [55]

Now, the first projecting device for heat of which I have knowledge was the device shown in Morse's United States Patent, No. 881,017. There an incandescent lamp, probably an inefficient one, was placed in front of a concave surface, with a guard in front to protect it, and that was used as stated in the patent, to concentrate the heat upon the affected part. In that particular case, it was sought to apply heat to certain portions of the body; that would be usually held quite close to the body, but it has the principle there of selecting the object you are going to heat, and throwing the rays all in one direction. Quoting from lines 71 to 77 of this patent, I read:

‘The feature of mounting the electric lamp in a horizontal position within the reflector is considered highly advantageous, as by this arrangement, the lamp projects its heat more effi-

(Testimony of Victor S. Beam.)

ciently onto the surface of the body, and furthermore, the socket of the lamp then operates effectively as a handle, facilitating the handling of the heating device.'

There in that device you have both heat and light projected in a beam onto a selected object.

Now, another early device was gotten out by the Westinghouse Electric & Manufacturing Company about 1912 or 1913 and was shown in the Geiger patent, No. 1,194,168, granted August 8, 1916. This device was put on the market, and has been on sale ever since by the Westinghouse Company. That device consisted of a concave structure, a shell somewhat resembling a seashell, the idea being to make it extremely ornamental; the heat source in that case was carbon wires or coils inside of tubes. It is, in effect, an incandescent electric lamp, although of low efficiency, so far as light is concerned. But the device was made in considerable quantities, and gave out both heat and light, and projected the rays of both heat and light in a definite direction, selective, [56] so as to light and heat the object. The patent says, 'Although the reflector 8 is shown of the clam-shell design, it is understood that such a reflector may be of any other design or form,' and as to the source of heat and light it says 'preferably it should be of the luminous type, preferably arranged side by side and extend upward in front of the reflector. It is understood that other suitable types of heating units may be employed with my invention.'

Now, that device was extremely ornamental; it was not as efficient as some of the devices to-day, and of

(Testimony of Victor S. Beam.)

course it is objectionable in that these lamps break quite readily; an incandescent lamp at its best is quite fragile, and it has many objections, but it was highly ornamental. I have one of these here, and produce the same, which consists of a clamshell coppered on the inside, pleasing in appearance, with incandescent lamps placed within the curvature of the shell, and is a device that a housewife would not certainly object to having around. They might not possibly buy it simply for the beauty of it, but it certainly is more pleasing in appearance than some of the more practical devices which have followed it. That, as I say, was built by the Westinghouse Company quite a number of years, and it was about the only type of heater that it could build at that time, prior to say the middle of 1917, because while it was recognized that incandescent lamps were not the best sort of thing to generate heat for that purpose, the advisability of utilizing the more efficient form of wire was doubted by the Westinghouse Company, first because there was considerable doubt about the wires which were then on the market standing up, that is, their resisting oxidation, and the other handicap that presented itself was the patent situation with respect to the nickel-chromium alloy of the heating element, the only heating element that would stand up in exposed conditions, when being burned or illuminated. When an electric wire is exposed [57] to the air, heated to a luminous state, it is attacked so readily by the oxygen of the air that it almost immediately burns up; the carbon filament in a lamp would not last an instant if exposed to the air;

(Testimony of Victor S. Beam.)

they have to put that in a vacuum. Of course, there are a lot of heat applications where you cannot use lamps, and there were devices using wire on the market, but to a great extent they were in places like in a flat-iron where your wire is covered up and not exposed to the air, so that while there were, prior to the middle of 1917, considerable heating devices on the market, and quite a number with the wire exposed, yet there was a patent situation there that had not been cleared up, and it was not until 1917 that the Westinghouse Company felt free to extend its operations in that particular field. That patent situation was the result of a patent to Marsh, that was granted in 1906 but it was some years before it was put in litigation, and it developed very slowly under it, because it was held by a comparatively small company, and the litigation was long-drawn out, and that was not finally decided until some time in 1915 by the Court of Appeals of the Seventh Circuit, the case of Hoskins Electric Manufacturing Co. v. General Electric Company. In that case, from which I have an extract, the court pays great tribute to the alloy for making up a heating device. It said:

‘The invention of toasters, heaters’—

Mr. MILLER.—I object to his going into this matter. I don’t know what he is reading from, so far as that is concerned, but I do not think it is proper for him to go into a matter of this kind regarding the Marsh patent. The Marsh patent decisions are reported in the Federal Reporter, and we have access to them.

(Testimony of Victor S. Beam.)

The COURT.—Yes. [58]

A. (Continuing.) That alloy which is sold under various trade names, one of which is Nichrome, has the distinguished ability to stand up, to resist oxidation when it is red hot, and it is the use of that alloy, the availability of that alloy to the electrical art that has made possible a large number of devices and particularly the devices in question here; that is, the radiant heaters, where the heating element must necessarily be exposed to the air when in operation.

I may have given the impression yesterday that a nickel chromium composition was the only wire that could be used in an exposed heater of that sort. I should correct that, as it would be possible to use platinum if the same could be obtained, but as that is very scarce and very expensive, it is practically out of the question.

The next and perhaps the most interesting prior device of the reflecting heater is that shown in the British patent No. 19,971, of 1913, of the Simplex Conduits Limited. That shows a reflecting heater in several views. The reflector is shown in the figures as a fluted cone, but it mentions in the description that that reflector may have various forms, one of which is a parabola. That appears to be the same device that is shown in exhibits Nos. 9 and 10. Now, the form shown in the drawings is rather of an ornamental nature, in that it has the fluting. That does not tend to its efficiency.

MR. MILLER.—I object to this line of testimony.

The COURT.—Yes.

(Testimony of Victor S. Beam.)

Mr. MILLER.—When he undertakes to say that it does not tend to its efficiency, or something like that, that is something beyond the theory of this case.

The COURT.—Yes, I think so.

A. The device as shown in Figure 1 consists of a stand which [59] is somewhat like the stand that is used for electric fans. It consists of a dome-shaped piece, and of a vertical standard, and then mounted in that is a U-shaped trunnion; that is the form illustrated in the Westinghouse device in this case; then the cone-shaped reflector is mounted so as to tilt in that trunnion, and, therefore, the direction of the light rays is adjustable. Figure 1 is a side view of the whole device, Figure 2 is a front view, the trunnion arrangement being shown in dotted lines. Now, as I say, the fluted cone-shape is shown in that figure for the reflector, but in the provisional specifications it is set forth that the condensed beam of rays may be divergent or approximately parallel or convergent, meaning that the reflector may have various forms, and then, further along, in the second paragraph it says the reflector is preferably in the form of a cone, this being a shape which can be cheaply rolled into form out of sheet metal. Then, further along in line 34, it says, ‘or the reflector may be in whole or in part of parabolic or the like contour, according to the form desired for the emergent beam of rays.’ Then, further on, line 40, in respect of the reflector, it says:

‘It may with advantage be corrugated or fluted, as this stiffens it and improves its in-

(Testimony of Victor S. Beam.)

ternal appearance when the heating element is incandesced.'

So that while it is shown as a corrugated reflector, it is contemplated that it be perfectly smooth on the inside and that it may take the form of a parabola, or the like.

Further, in the provisional specifications line 42, it says:

'We prefer to mount the reflector pivotally on a forked stem, which, itself, can pivot on a foot bracket, so that the beam of rays can be turned to point in any direction.'

And then in the complete specifications, line 37, it speaks of the color of the inside of the reflector; it may be of a cast [60] metal lined with copper, and that it may be wholly corrugated. The heating element in this case is arranged in line with the longitudinal axis of the cone or the parabolic reflector, as it may be, and that as an arrangement of coil tends to give uniform distribution of the light rays. It must be recognized in this art that you cannot get your source of light down to a single point. Your coil takes up space, and therefore you cannot get your light source at any geometric or mathematical point; so that you may go to a great deal of trouble to get your reflector mathematically perfect, but you will be thrown out from your calculations by the fact that you cannot get your heating element down to a point; it takes up a space, and, therefore, it is quite advisable to make your reflector conform to the shape of your heating device, or accommodate itself to the

(Testimony of Victor S. Beam.)

requirements of the heating device. A guard is shown in this patent designated by the letter H. It is shown in Figures 2 and 3. It consists of a central ring, with three radiating spokes to support it. I have had a device made up in accordance with this patent for illustration and herewith produce the same. I have had both the corrugated reflector and the parabolic reflector made. The parabolic reflector is mounted in the trunnion, and the corrugated reflector is separate. The form of guard shown in that particular exhibit I have made up is that shown in exhibit No. 9 in this case.

Another illustration of the prior art devices is the Warner patent No, 1,120,003, granted December 8, 1914, United States patent. That patent shows—

The COURT.—Cannot you save time by introducing these? I think they are clear enough without lengthy explanation of them.

Mr. CARR.—I do not think it is necessary for the witness to state very much. He might state a word or two with reference to the patent. [61]

The COURT.—Where there is a cut or illustration together with an explanation, it would seem to be quite obvious. It is a question largely of appearance.

Mr. CARR.—I think perhaps that any features that might be deemed necessary and advisable to bring more definitely and specifically to your Honor's attention could be done in the argument.

The COURT.—Yes.

Q. You say this is an American patent?

A. Yes. I was simply going to add that that form

(Testimony of Victor S. Beam.)

of heating coil is not the best, and they had used the lamp in there to illuminate the device, to get the red effect. It shows a concave bowl, mounted on a stand, handles for carrying it. It has, I would say, a rather inefficient form of heating coil, and they have taken the precaution of putting a double casing on there in the rear of the reflector. That is to prevent the part that the public might touch, marked "c" from becoming heated from the coil—as a matter of protection there. There would be a dead air space in between the curved line "e" and the curved line "f."

Another American patent is one to Milton H. Shoenberg, assigned to the Majestic Electric Development Company, San Francisco, and is numbered 1,109,551, and dated September 1, 1914. One particular thing shown in that patent is two linings to the casing, the dead air space in between, as shown specifically in Fig. 10; it has the bowl-shape reflector, the heating element arranged within the curvature of the same, and it has a guard to protect the heating element from being touched. I would call particular attention to the arrangement of the heating coil with respect to the reflector. You will see that that arrangement runs through all of the devices produced here as the product of the Majestic Electric Development Company, the plaintiff. The coil is arranged transverse to the longitudinal axis of the reflector. That arrangement of the coil has [62] some drawbacks, as it is difficult to arrange it uniformly with respect to the reflecting surface, and portions of the reflecting surface are liable to get

(Testimony of Victor S. Beam.)

very warm, and it is necessary to take some precautions to overcome that arrangement. In the latter forms of the Majestic devices, a flange is provided for protecting the public from being burned by the heat which would be generated in the reflecting surface, and also there is provided that double casing, an additional curved member at the back of the reflector, so as to prevent the public from touching the heated reflector. As I understand it, the intent was to get the coil as near to the focus as possible. Looking at it one way, that is accomplished, but since the coil must have length, it would get very much out of focus at the ends, and that is the part that causes the trouble in the heating of the reflector. That necessity for the flange in the Majestic devices, and likewise for the extra casing is clearly set forth in patent 1,245,084 to E. N. Brown, dated October 30, 1917, in which it says:

At this point counsel for plaintiff objected to this testimony, as being directed purely to the utility of the device, and that the witness is now proposing to read from another patent and the court ruled that the objection was well taken.

Thereupon the witness continued as follows:

A. I simply want to mention that the Porter U. S. Patent No. 684,459, granted October 15, 1901, shows a form of guard which might be used in this form of heater; although the device there has the appearance of a fan, and is a fan, it is a fan equipped with a heating element, so that it may blow warm air instead of cool air. When the Westinghouse Company started

(Testimony of Victor S. Beam.)

to design the present type of heater, it had available the straight-line coil of the Simplex Conduits device, and it had the curved reflecting device of the Warner patent, No. 1,120,003. [63] It recognized the fact that it could not get a heating coil at a single point, and that the coil would have to have length, so it arranged its coil in the same order that the Simplex Company of England, had arranged its coil, and utilized the curved reflector of the Warner patent, although it is also clear from the Simplex Conduits Company patent that practically any form of reflector may be used. I have shown in the exhibit 1 one form of parabola, but as a parabola may take many forms, depending upon the distance that you take between the point called the focus and an outside line called the directrix, the law of a parabola being that the distance from any point on the curve to the focus must be the same as the distance to the line on the directrix; but the parabola, as I say, may take many different forms, and when you get a parabola of a wide flare, that is, the distance between the focus and the point on the line, large, you approach a curvature of a circle, so that like in some of the devices here, though one may be a parabola and the other a circle—it is extremely difficult to tell which—a reflector in the form of a segment of a circle cannot, strictly speaking, have a focus, and in the Westinghouse device it is not attempted; it is recognized that it could not have a focus, and no attempt is made to get one; in fact, the heating coil is strung along, extended along the longitudinal axis, and the curve of

(Testimony of Victor S. Beam.)

the reflector is made so as to accommodate that, so that the light, going from any point on that coil, is reflected properly. The Westinghouse device has a reflector corresponding to the arc of a circle, and that gives a very wide beam of light, and the coil being arranged on the transverse longitudinal axis, gives a very good heat distribution over the surface of the reflector, so that the reflector keeps cool itself and it needs no provision for protecting the public from the heat, and likewise [64] it has no double casing at the back to provide a dead air space and prevent the public coming in contact with heat. Of course, it has a guard in front to protect the public from coming in contact with the heated coil, such as they provide guards on electric light reflectors and on fans; they are very old and necessary expedients.

The COURT.—Q. You say the reflector on the Westinghouse device does not become hot?

A. No, not as on the others, where the coil is not arranged properly.

Q. It does not become as hot as the Majestic?

A. No; that has been my experience. The reason for that is, the Westinghouse device is not designed along mathematical or geometrical lines; its design is rather imperical; but it was designed with the appreciation that a straight-line coil on a longitudinal axis is the only proper device; and it has discarded the [65] idea of making the reflector parabolic. A parabolic curvature is theoretically the proper one, if you have got a point for the source of your light and heat. In this case it is

(Testimony of Victor S. Beam.)

both light and heat. If you want strictly parallel rays, you only need to take a parabola and put a point of light at the focus and you will get strictly parallel rays, but the difficulties of that is that your coil must have size, and when you get out of the focus then that more than overcomes any nicety which you have in mind in arranging the curvature of your reflector."

Continuing in answer to questions by defendant's counsel the witness testified as follows:

There are not any features or characteristics of Defendant's Exhibits "A," "B," "C" and "D" which are not readily and obviously apparent to the Court as to which I could give any enlightenment. I think they are all quite clear on the face. I have called attention to the arrangement of the heating coil and called attention to the fact that there are some elements of the earlier ones, the fluted stand, for instance, that is not in the latter device, that is not in the No. 7 heaters. A close inspection shows that the reflectors of all four devices built earlier than No. 7 have a single thickness, that is, in the earlier devices, No. 1, No. 2, 2b, and 3 (Defendant's Exhibits "A," "B," "C," and "D") had a single thickness of the reflector on the back, whereas in No. 7 there are two thicknesses giving a dead air space in between. I might add that double casing allows of bringing out of the electric leads a little better form. You will notice that in all of these prior devices there are two exposed terminals, requiring insulation, sufficient to protect from the

(Testimony of Victor S. Beam.)

atmosphere, whereas in the No. 7 device all that is arranged on the inside, between the two casings, so that the leads come out through a single opening; that is a much better arrangement. Of course the reason for the two connections comes from [66] the fact that they use a transversely arranged coil, and it is necessary to make contact at the two ends of that coil; of course the coil being long requires that the connections to it be quite a distance apart, so that necessitates bringing the contacts out from the rear of the casing at quite a distance from each other. I might point out that with the straight line form of heating coil, as used in the Westinghouse device, that connections to the coil can be made much more readily and without having a double casing. Of course, I point out that the earlier devices were nickle plated, whereas the later ones are copper colored. With reference to No. 1, 2, 2b and 3 appearing here as Defendant's Exhibits "A," "B," "C" and "D," those early devices do not have the marginal, relatively wide marginal flange and the double casing found in No. 7 Majestic heater, those earlier devices do not have those protective features.

Cross-examination of Witness BEAM.

On cross-examination the witness BEAM testified as follows:

I am one of the salaried employees of the Westinghouse Electric & Mfg. Co. and have been such since 1916, but either directly or indirectly I have been connected with them since 1899. The princi-

(Testimony of Victor S. Beam.)

pal place of business of that company is at Pittsburgh, but they have offices in New York City, and I have a room there in those offices as any other employee would have. I am the mechanical and electrical expert employed by them in reference to their various devices. In reference to nichrome wire used in some of the devices, it is the wire referred to by me as being covered by the Marsh patent and used by the Westinghouse Company in its coil under a license from the owners of the Marsh patent. The final arrangements for the license were made in the middle of 1917, prior thereto the Westinghouse Company used in the unexposed heating element a wire made by the [67] Driver Harris Company which had no chromium in it, and also some nichrome wire made by the Driver Harris Company and some excello wire, a German wire. While the final arrangements with reference to the license were not completed until the summer of 1917, we actually had the license through our subsidiary company, the Westinghouse Electric Products Company, some time before that, but there was considerable litigation over the matter so that the whole subject was not cleared up until the summer of 1917. This Excello wire which I referred to was on sale in the United States, but during the war it was impossible to get it. I believe it was on sale as early as 1912, and I believe anybody in the United States could use it who chose to purchase it, if he overlooked the Marsh patent for the time being. The Westinghouse Company had used some of

(Testimony of Victor S. Beam.)

this excello wire but they used as little as they could.

Mr. Thornton and Mr. Forsbee got up the design of the Westinghouse heater that is involved here. Mr. Thornton was an engineer in the heating department and Forsbee was his assistant, I believe. Neither of these gentlemen came out with me and they are not available as witnesses here. Mr. Thornton is at Mansfield, Ohio, and I don't know where Mr. Forsbee is.

When I said that the Westinghouse Company had at that time available for use in getting up their design this Simplex Conduits English patent, I mean simply that that was an open public document that they could refer to if they desired, a part of the prior art. I suppose you could consider the Brown No. 7 heater a part of the prior art in a sense. I believe the Westinghouse Company began getting up this design in the latter part of 1917, but production was held up on account of the war until the latter part of 1918 I believe. As near as I can recollect, the first ones were put on sale in the latter part of 1918. [68] When I say they had available for their purpose this English patent, I do not think that they placed the English patent before them and proceeded to make a design corresponding with that patent; engineers do not usually work that way. They also had available in making up the design everything that was known at that time. They may have taken a Brown No. 7 heater

(Testimony of Victor S. Beam.)

and examined that and looked it over and noted its characteristics at the time they got up the Westinghouse heater. I do not know of my own knowledge regarding that matter. The Westinghouse Company has a heater here which has a clam shell reflector. They began to manufacture and sell that device in 1912 and 1913, and they sold devices of that kind. Mr. Geiger got up the device, and he is the gentlemen to whom the patent was issued and it has been assigned to the defendant. Defendant's counsel has produced a heater here which consists of a deep, parabolic reflector mounted on a stand, which could have been made in that way instead of making it in the way of a fluted cone. That particular device was made in Mansfield, Ohio, at our plant, and was manufactured for illustrative purposes in this case, as an interpretation of the patent. It was not manufactured for sale. We have not any like that for sale. The other device consisting of a fluted cone, that is in the same category, that is to say, it was made for illustrative purposes in this case in our plant at Mansfield, Ohio, as an interpretation of the British patent, possibly, well, possibly under my direction and possibly under Mr. Carr's. I was present at Mansfield, Ohio, when it was being made, and I think the only actual suggestion I made was to make the casing a bit thicker so that it would hold its shape. Mr. Thornton really supervised the actual construction. Mr. Carr instructed Mr. Thornton and I did, too, to

(Testimony of Victor S. Beam.)

make it according to the construction of the British patent.

Instructions were given by Mr. Carr as to how to make it. [69] In making the Westinghouse heater which is involved in this case, we made a flat curve instead of a deep one as shown in the Simplex Conduits device because we wanted a little wider spread. With a longitudinal arrangement of the coil we would have to make the bowl to fit it to get the best distribution of heat on the radiating area. They apparently found that that shape caused the best heat distribution. I am sure that is what they were after. I think it did give a better heat distribution than the particular form of parabola shown in the English patent. The patent mentions that you can get divergent or parallel or convergent rays. It gives wide instructions there. You could readily make a wider one under the patent. There are no directions in the patent as to what kind of parabola you would make, whether deep, flat or more elongated, there are no directions in there as to what kind of parabola you can make. The only suggestion about it at all would be the most natural one to make in the first instance, although you were not limited to that. You would make one of the shape more nearly corresponding to the cone shown there, you have a wide choice under the language there. That choice is left to the party who wants to make a parabolic reflector in accordance with that suggestion. It is stated in there that the interior may be smooth; that would

(Testimony of Victor S. Beam.)

necessarily apply as well to the parabola as to the cone. Of course the man who designed that tended rather towards the artistic because he showed the fluted cone; all those British things are rather more ornamental.

On redirect examination the witness said:

"I do not know the composition of the Excello wire to which my attention has been called. I am quite sure it has some nickle and some chromium in it, but the exact composition of it I do not know at this time." [70]

Defendant then offered in evidence certified copy of English patent No. 19,971, application filed September 4, 1913, and accepted September 4, 1914, by the Government of Great Britain to Simplex Conduits, Limited, which is attached to an affidavit on motion for preliminary injunction, in this case.

Defendant offered in evidence copy of U. S. letters patent No. 881,017, issued to W. E. H. Morse on March 3, 1908, and the same was marked Defendant's Exhibit "F."

Also copy of U. S. patent No. 1,194,168, issued to Albert J. Geiger, assignor to Westinghouse Electric and Manufacturing Co. on August 8, 1916, which was marked Defendant's Ex. "G."

Also copy of the U. S. patent No. 1,120,003, issued to A. A. Warner assignor to Landers, Frary & Clark, on December 8, 1914, which was marked Defendant's Exhibit "H."

Also copy of U. S. patent No. 1,190,551, issued to Milton H. Shoenberg, assignor to Majestic Electric

Development Co. on September 1, 1914, which was marked Defendant's Exhibit "I."

Also a model as illustrative of the disclosure of the British patent 19,971 application filed September 4, 1913, and accepted September 4, 1914, and the same was marked Defendant's Exhibit "J."

Also a fluted cone produced as illustrative of the reflector shown in the British patent, 19,971, application filed Sept. 4, 1913, and accepted Sept. 4, 1914, and the same was marked Defendant's Exhibit "K."

Defendant read in evidence two letters received from Mr. John H. Miller, representing the Majestic Electric Development Company, as follows:

"December 31, 1918.

"Westinghouse Electric & Mfg. Co.,
165 Broadway,
New York City, N. Y.

Gentlemen:

On behalf of my client, the Majestic Electric Development Company of this city, I beg to notify you that the electric heaters, shown on page 16 of the Westinghouse Catalogue, Section 8-C, of November, 1918, known as 'Cozy-Glow Radiator,' are an infringement upon United States letters patent No. 1,245,084, of October 30, 1917, and U. S. design patent 51043, of July 17, 1918, also U. S. Letters Patent No. 1255814 of February 5, 1918, all of which patents are owned by the said Majestic Electric Development Company. [71]

The object of this letter is to advise you of the said infringement and request a discontinuance of

the same. In default of compliance with this request, we shall be under the necessity of commencing suit against you in the United States District Court for infringement and a recovery of damages and profits. It is possible that in marketing this device you were not aware of the existence of these patents or that you were interfering with the rights of my client. Consequently, before instituting suit, I shall be pleased to hear from you relative to this matter, and an early response will greatly oblige

Yours very truly,

“JOHN H. MILLER.”

“February 7, 1919.

Westinghouse Electric Mfg. Co.,
165 Broadway,
New York City, N. Y.

Gentlemen:

Attention of Mr. Victor S. Beam.

During an extended absence from my office notice was sent to you by my managing clerk charging infringement of certain patents owned by the Majestic Electric Development Co., and I have your favor of January 6th requesting the specification of the claims of patents relied on.

In reply I beg to say that the claims and patents relied on are as follows, viz.:

1. Design patent, No. 51,253 of Sept. 11, 1917.
2. Patent 1,245,084, of October 30, 1917, claim 1.
3. Patent 1,255,814, of February 5, 1918, claim 2.
4. Patent 1,109,551, of September 1, 1914, claim 1.

The above particulars differ a little from the notice heretofore sent you but the writer of the first

letter was not fully posted on the situation and you may disregard the first notification and accept this one as the correct one.

Yours very truly,

“JOHN H. MILLER.”

Defendant's counsel then offered in evidence a model which he claimed to be a reproduction of what is shown in the Warner patent, No. 1,120,003, which he said was not made for sale or copied from anything which was made for sale, but was simply made from what is shown in the patent as nearly as he could make it, and the same was marked Defendant's Exhibit “L.”

Defendant also offered in evidence a device produced and identified by the witness Beam as made under and corresponding to the Geiger patent, No. 1,194,168, referred to as the clamshell heater, and the same was marked Defendant's Exhibit “M.”

Defendant produced as a witness G. L. Wentworth, who, having been duly sworn, testified as follows: [72]

Testimony of G. L. Wentworth, for Defendant.

I reside in Oakland, and am an electrician, and my place of business is 625 Mission Street. I own electric radiant or beam heaters, similar to those before me on the table. I have one double one and two single ones in the place, and I bought one that I have in my home. I bought them one at a time as I needed them. The first three I just told the boys there to order them. I got them one at a time as I wanted them, one for the main office, one for

(Testimony of G. L. Wentworth.)

downstairs, and one for myself to take home. They got three heaters. I think the first three heaters came, I think the name is Majestic—it is Majestic something—I don't know just what the name is. The place is down on Howard Street, I think between New Montgomery and Third. I think that is where they came from. I did not ask for any particular brand, but I just got Majestic heaters. I know it because I O. K.'d the Majestic bills in those three cases. I do not recall any statement that I made to anyone with reference to the heaters that I purchased, but I do recall—I was caused to recall it by it being brought up yesterday; a little talk came up regarding it, and if it had not been called to my attention I would never have thought of it again. Since the talk came up yesterday I do recall it, but I cannot recall word for word now what the conversation was. I remember that it came up in a casual way regarding heaters. It was some time ago; it was during the cold weather last year, it must have been six or seven months ago, or something like that. That was in reference to the last heater which I have not mentioned yet. I have four. I mentioned 3. It was the last one that I bought. The circumstances of buying that heater were, I gave the clerk orders to get me another heater. I did not say what I wanted or anything; four, five, or six days went by and it was still cold, and I had a cold myself and I didn't get the heater. When I spoke about it [73] they said it was back ordered but it had not come yet. So I wanted a heater and I gave the nearest clerk to me \$10 and

(Testimony of G. L. Wentworth.)

told him to go out and get me a heater. He did so. He came back with a box about as large as a hat-box, and took out the heater, and screwed the plug into a socket over my desk and turned it on and I had a heater. That was all there was to it. I did not then look to see what it was. It was the heat I was looking for and I got it. I paid cash for that heater. I gave him \$10 and I think I got a little change back. I think that heater was brought from the railway. I had one ordered for several days before, maybe a week before, but it did not come. It was a Westinghouse heater that came. I have a recollection as to when I observed that it was a Westinghouse heater, at the time the talk was brought up. I don't remember how long that was after I purchased the heater. I did not pay any attention to what it was. When the talk came up, it was called to my attention that it was not a Majestic heater such as was manufactured by the party.

Cross-examination.

On cross-examination the witness testified as follows: I originally had three Majestic heaters, and then I ordered a fourth one from the same place that the others came from, but I didn't get it because there were none available. I sent out a boy to get the fourth heater but didn't get the heater, and so I sent a different boy the next time. I told him to get it. I didn't make any remarks and didn't pass any judgment on anybody's heater. I just wanted a heater. We make the order out at the order clerk's desk, and we have an errand boy

(Testimony of G. L. Wentworth.)

to send out for these things, but I didn't trust the errand boy the second time, I gave the order to an order clerk—a clerk to whom I pay \$250 a month, and he went out and got the heater for me. I paid the money out of my own pocket. [74] When he returned with it in a box and it was brought to my office and taken out of the box, and the cord was taken out and it was screwed into a socket and the electricity turned on, the clerk simply said to me, "There is your heater." I had been doing a little bit of talking about it, and I guess rather strong talk too, and so I got a heater. I did not pay any attention to what brand or make it was. I saw that it was red and that it was what I was looking for. I didn't pay any attention to it and didn't give it a thought, and never thought of it until the controversy was brought up afterwards. I kept using that heater and am still using it whenever it is cold and I need it. I didn't pay any further attention to it, as I had other things to worry about. But somebody ultimately called my attention to the fact that it was different from the other heaters, and that person was Mr. Hiller. I should judge that was four or 5 or 6 months ago, I cannot tell exactly. At that time I had been using the heater probably a month or something like that. The three Majestic heaters I referred to are located I think, one at my home and two in my main office. I do not know where the Westinghouse heater is now. I loaned it to a man to be used by some woman in a hospital, and I have not seen it since, so I have all Majestic heaters now. I am not going to get it from this

woman. I am not going to say a word about it. I have already paid for it and I will just let it go. I do not know if I am going to buy a new one. If I do I will probably do the same thing over again, and do the same as I did before. I will simply just say, "Get me another heater."

At this point defendant rested its case. [75]

PLAINTIFF'S REBUTTAL.

Testimony of Edmund N. Brown, for Plaintiff (In Rebuttal).

In rebuttal plaintiff produced as a witness E. N. BROWN, who testified as follows:

With reference to the use of alloys or wire made of alloys, other than the Marsh device, in these exposed heaters, we used either chronium or nichrome. We used Excello first obtained from the Herman-Boker Company in New York. It was a wire that was on sale in the market, and we used it on all of our heaters prior to the time that we commenced to manufacture our No. 7. We had no trouble in getting that wire until after the War was on. The difficulty then was because of war conditions. We also used another wire besides the Excello called Calido made by a firm at Morristown, N. J. After the plaintiff started in its business in 1914, the first heating device we put on the market was a pendant type, called by our trade name No. 1. The shape of the reflector of the device was what we called a pie-plate and is the same as the device which I now produce.

Here the device in question was put in evidence and marked Plaintiff's Exhibit 6.

(Testimony of Edmund N. Brown.)

(Witness continuing:) After that we put on what is called a kind of a dish plate which is represented by this model, Exhibit "A." It was made of nickel, and intended to be suspended from a point of suspension projecting from the wall or hanging from the wall. We do not offer that device for sale now.

The second device which we put on the market was known by our trade name No. 3. It has a glass knob, and it is represented by Defendant's Exhibit "D." We have not continued the sale of this device, and it likewise has been abandoned.

The next device we put on the market was the one termed by our trade name No. 10. That was the same shape as an oil [76] stove. It had a back to it like an oil stove, about one-third of it—the front part was a guard, different from the ones we have on the other type heaters; it stood up on four legs. It looked very much like an oil stove. We also discontinued the sale of that device and it likewise was abandoned.

The next device we put on the market was the one we styled by our trade name "No. 2," and represented by Defendant's Exhibit "B." We abandoned that device likewise as we did the other devices.

The next heaters we put on the market were designated by the trade names 1b, 2b and 3b, which were put on simultaneously. They were to take the place of our former Nos. 1, 2 and 3. They had a bell shape which we thought would be more efficient. Defendant's Exhibit "C" represents the

(Testimony of Edmund N. Brown.)

said 2b and 1b was the pendant type, and the one with two elements was 3b. The 1b was the suspension type, the 2b and 3b were the same with the exception of the number of elements. The 2b was to take the place of the former 2, and the 3b was to take the place of the former 3. We proceeded to sell the 1b, 2b and 3b, and we abandoned them later.

The next heaters were known by our trade names 4, 5 and 6. They were of the square type or box type, and are illustrated by a device which was put in evidence in the prior litigation and marked Plaintiff's Exhibit 18. There were three figures shown at the bottom of the said exhibit. They have the general appearance of a guard or fire place, and are called our box type heaters. No. 4 has a single element, No. 5 two elements, and No. 6 three elements. That and the dimensions are the only differences between them. We met with considerable success in the sale of our Nos. 4, 5 and 6 heaters, and have continued to sell them to this date, and carry them in our catalogue and stock. [77]

The next type of heater we got out was known by our trade name No. 7, which is represented by my model in evidence here, and that is the one I have testified about on direct examination. Our object in getting out so many styles of these was that I knew I did not have the one that I wanted until I got the No. 7. I was striving until I hit on the No. 7. I did not have the one that I thought was the proper heater. I tested that matter out by putting them on the market and before

(Testimony of Edmund N. Brown.)

the trade and selling them, and in this chain of evolution I finally reached the No. 7 heater, and I found that out as I put them out to the trade. The others were abandoned all excepting Nos. 4, 5 and 6 (box type heaters) which we are selling to-day, but that is a different type of heater. After our No. 7 came on the market we didn't put out any other style or change the design. We got out what we called a No. 8 of the same design, only that we put two elements on it; that was to get additional heat. I might add that we are confining ourselves in the No. 8 to absolutely the same type reflector. Our sales of No. 7 which we put on the market in comparison with the sales of previous heaters increased, you might say, with leaps and bounds, I mean the No. 7 heater. The No. 7 sold in much greater numbers, several times greater, you might say, as it went on, and the sale of No. 7 is increasing all the time. The present year is the largest we have had up to date in the sale of the No. 7 heaters. I want to say one thing. This year we are putting out a little larger reflector on our No. 7 and calling it 11, but that is the only change. We are calling it that to let the trade have something to distinguish it by. The diameter of No. 11 is 12 inches. We abandoned the four types of heaters and confined ourselves to No. 7 because we considered the No. 7 a better article, and we sold a great many times more of the No. 7 than we did of any other types. [78]

The photograph of our exhibit at the Panama Exposition which has been put in evidence shows

(Testimony of Edmund N. Brown.)

our former heaters, No. 1, No. 2, No. 3 and No. 10, and there is one kind of a bird cage we had there, but it was only an experiment; we did not market them generally. We had one hung up on the wall that was portable also, but we did not sell many of these. Those were all of the portable type. The photograph does not show either 1b, 2b or 3b. Those, the 1b, 2b and 3b were gotten up in the fall of 1915, which was too late for the Exposition to be shown in the photograph. That series, 1b, 2b and 3b, was gotten up to take the place of the 1, 2 and 3.

Referring to the heater of the Simplex Conduits, Limited, of London, England, designated as the British patent, which has been offered in evidence, Application filed Sept. 4, 1913, and accepted (No. 19,971, Sept. 4, 1914). No heaters of that description and appearance have been on the market in the United States that I know of, and my opportunity of determining what heaters are on the market in the United States is that I make it my business to always keep in touch with anything that comes out in our line.

Regarding the other heater which has been offered in evidence here, the Warner patent (Defendant's Exhibit "H"), I talked to some dealers and they tell me that that has been taken off the market by Landers, Frary & Clark, the manufacturers. I have endeavored to find another one in the city here but have been unable to do so.

When we got up our No. 7 heaters, the heaters

(Testimony of Edmund N. Brown.)

which we abandoned and discontinued were the "b" type heaters, 1b, 2b and 3b and No. 10, and previous to getting out of these types we had abandoned the others, 1, 2 and 3. Those prior heaters were abandoned because we were, you might say, in a period of evolution. We were experimenting all the time to see what was the best and we found the No. 7 a better heater, more efficient more ornamental to the eye and looked better. [79] Since we put our No. 7 on the market, we have not put any other or different type of heaters on the market, except our No. 8 which is the same as No. 7 with the exception of having two elements. As to how our sales of the No. 7 compared with the sale of our previous heaters which were abandoned, they were so far ahead—they ran into the hundreds of thousands, that is the No. 7 did. We have not sold many thousands of the others. The trade liked the No. 7 better than the others; in fact, to state an expression of the trade, I can state one remark, that we had out now the right kind of a heater; and such like remarks.

Cross-examination of E. N. BROWN.

Our sales of the previous heaters, Nos. 1, 2 and 3 and 1b, 2b, and 3b, were not confined to the Pacific Coast. We were given to understand by the trade that the reason why they seemed to like the No. 7 better than the preceding heaters was that they liked the appearance better; it was also a more efficient heater; they liked the appearance. They made the remark, "Now, you have got something

(Testimony of Edmund N. Brown.)

that looks right." Never prior to our No. 7 heater did we market a heater of portable type having a burnished copper reflector. In regard to our ability of disposing of all the heaters of the beam type we have been able to make, I will say that we have restricted our manufacture on account of the infringement. We could make a great many more than we are making to-day if we knew our rights were being protected. We have not been able to dispose of all we made. We carried over some last year. I believe we could supply the entire trade of the country if we had an unrestricted right.

The Excellor wire referred to by me is similar to the Marsh patent wire. We took a license under the Marsh patent because we knew we would be infringing if we did not, and that we would be subject to being sued. [80]

We have a few of the heaters preceding No. 7 on hand of different types that we have been unable to sell, but we do not list them on the market. We have not been able to dispose of those heaters.

Defendant then produced a pamphlet or folder and the witness identified it as a pamphlet which plaintiff is now getting out, containing illustrations and reading matter on heaters Nos. 4, 5, 6, 7, 8, 11, 15, 30 and 35 types, and stated that said catalogue represented all the types of heaters which the plaintiff was now marketing except No. 9, which is similar to No. 6, only that it has two more heat units, and in proportion is a little larger in size. The

document was then offered in evidence and marked "Plaintiff's Exhibit 9."

Defendant also offered in evidence an exhibit referred to in the former case as "Plaintiff's Exhibit 18," for the purpose of showing the types of heaters of the plaintiff, numbered 4 and 5 and 6, and the same was marked "Plaintiff's Exhibit 10."

At this point counsel for defendant, by permission of the Court, offered in evidence a patent which had formerly escaped his attention, copy of U. S. Letters Patent No. 684,459, issued to E. F. Porter, Oct. 15, 1901, and the same was marked "Defendant's Exhibit 'N.'"

Testimony of George J. Henry, for Plaintiff.

GEORGE J. HENRY, being duly called as a witness on behalf of plaintiff, testified as follows:

I am 48 years of age and reside at the City and County of San Francisco. I am mechanical and electrical engineer and patent solicitor. I have been following the profession of mechanical engineer for 26 years; and I have been engaged in designing and manufacturing mechanical and electrical and physical devices over practically all of that period of time. I have taken out a number of patents on inventions of my own. I have practiced before the Patent Office for the last seven or [81] eight years in connection with my professional work. I am a member of the American Society of Mechanical Engineers, American Society of Civil Engineers, associate member of the American Institute of Electrical Engineers. I have examined a great many

(Testimony of George J. Henry.)

mechanical devices, including heaters, including electrical devices generally, reported on some of them, and had a good deal to do with the designing of many devices in this field.

The Morse patent 881,017 of March 3, 1908 (Defendant's Exhibit "F") shows an incandescent electric bulb mounted inside of a reflector, and a wire cage or guard stretched across the reflector in front of the incandescent lamp. The device is labelled "Heating device." The reflector is presumably of hemispherical shape generally, and the lamp is materially out of focus in the curve in figure 1, the wire screen set relatively close to the lamp and well within the reflector. The device is a therapeutical instrument and is intended for that purpose. The invention relates to a device for applying heat to a portion of one's body, and is intended to be used in the practice of therapeutics. It is a small instrument to be taken in one's hand and carried around and applied to any place where you want heat transmitted. It is principally for that purpose. The handle of the incandescent lamp serves as the handle for the device, and also as a socket for the incandescent lamp. It has no standard or anything of that kind, and is for the purpose of concentrating the heat upon the affected parts as you move it around in your hand from one spot to another to apply the heat, apparently by setting it directly over the part itself, not by reflection, but by holding the heat of the bulb within the container.

In the English patent, entitled "Simplex Con-

(Testimony of George J. Henry.)

duits, Limited" (No. 19,971, application filed Sept. 4, 1913, and accepted Sep. 4, 1914). I find a conical-shaped container [82] fluted on its outer surface, at least in the preferable form and in all the forms illustrated. It is mounted upon a standard and swivels in any direction, the standard carrying a U-frame which is pivoted to the conical-shaped reflector. The heat element is a long resistance wire *would* upon insulating material located about the axis of the cone, but not coincident with the axis. A wire screen is stretched across the front of the conical opening, so that the whole thing has the appearance of a funnel. The device which you now hand me appears to be the device described in the English patent. The interior of the cone is corrugated, made of copper or plated with copper. The wire screen is a wire mesh, what is known in the trade as wire cloth or wire mesh, fixed in an annular frame, which may be slipped over the front of the heat opening of the conical reflector. It is mounted on horizontal trunnions and also on a vertical swivel or trunnion, so that it can be swung in any direction, up or down, or around a vertical axis. That portion of the specification which refers to changing the cone to a parabola, commencing at line 25, page 3 of the specification, reads as follows:

"We have found that a diameter of the large end approximately equal to the depth of the cone gives good results, but the cone angle may be greater or less than that was indicated, or the reflector may be in longitudinal section,

(Testimony of George J. Henry.)

in whole or in part, or of a parabolic or the like contour, according to the form desired for the emergent beam of rays."

With regard to the sufficiency of that disclosure as to instructing a person to make the heater of parabolic shape instead of conical shape, I don't think it is any more specific as regards any other shape than that shown that would be perfectly apparent to anyone in the art. A parabolic reflector to have any useful function, would have to be, as the expert on the other side, Mr. Beam, stated, it would have to have its source [83] of heat located at the focus of the parabola; and with the long element that is here shown, I cannot see how a parabola could possibly be effective, for the purpose of directing rays in any better shape than this cone does. After careful reading of the patent, I came to the conclusion that the inventor had in mind, rather, the form of the curve of these inverse flutes rather than substituting a parabolic form of the whole cone. These individual flutes might easily be curved parabolically in such a way that the focus of the parabola, or rather, the locus of the foci of the parabola of a single flute would be coincident with the center of the heat element; but I cannot conceive a parabola in the plane of a heat element as the substitution for this cone which would perform any of the functions of reflection aimed at by the patentee when he says, "You can direct the beam as you choose by changing the shape of the reflector." With such a long heat element, the divergence from

(Testimony of George J. Henry.)

the focus of any single parabola would be so great over most of the portions of the heat element that your emitting area would not be anywhere near a parallel beam; it would be widely divergent from it. I am very sure that the most accurate parabola that could be constructed as a substitute for a curve—and I have in mind now such a parabola as has been presented here as made by the Westinghouse company—such a reflector as that, I am very sure, would get hot and make a divergent beam that would cross a dozen times, probably, in the parabola before it got out, and would make a very wide divergent beam. I am referring to the model made by the Westinghouse Company of the English Simplex patent, or any similar reflector made of parabolic to be this form of heat element and based on any teaching contained in the Simplex patent. The conical fluted type of reflector is the only one shown in the illustrations. [84]

Plaintiff then offered in evidence the device representing the English patent testified to by the witness, and the same was marked "Plaintiff's Exhibit 7."

I have examined and understand the Warner patent, No. 1,120,003, dated December 8, 1914, Defendant's Exhibit "H." The device which you now hand me I believe to be the same device as described in this Warner patent. The striking feature of this device when you look at it from the front is the heat element, and its location with respect to the other parts. It is annular in shape and occupies

(Testimony of George J. Henry.)

a large portion of the entire device. The large cage covering it is very prominent in appearance. Of course, if the device were lighted up the incandescent lamp will also be a noticeable feature. There is an incandescent lamp in it, and the lamp is also shown in the model which you have handed me and concerning which I have testified.

Plaintiff then offered in evidence the said device or model referred to by the witness as representative of the Warner patent, and the same was marked Plaintiff's Exhibit 8.

(Witness continuing:) The device which has been put in evidence by defendant and marked Defendant's Exhibit "L" is representative of this Warner patent. I do not consider it a fair representation thereof. It has a very materially different appearance. The same elements are present, and probably function the same way, but they are materially different in size of proportion and respect to each other. The heat element is located much deeper in the reflector than in the first one you handed me. It is also much smaller in cross section relatively, resulting in a very much less prominent appearance. It is the dominating element in the appearance in the patent drawing and also in the heater which you have handed me (Plaintiff's Exhibit 8) as distinguished from Defendant's Exhibit "L." [85]

Referring further to the English Simplex patent, I note that it does not very prominently show in its illustration a guard wire over the front. It

(Testimony of George J. Henry.)

states that it should be fitted with coarse wire mesh or the like, but that does not appear in the illustration, it is not shown in the illustration.

Referring to a model which has been put in evidence by the defendant marked "Defendant's Exhibit 'J,'" as illustrative of the Simplex English patent, I do not consider that the model correctly represents the patent, although it might easily be a construction which one skilled in the art, looking at the Simplex picture and reading the Simplex description, might arrive at a variation. It is materially different from the drawings in the Simplex patent. The heat element is relatively shorter. The reflector is curved and smooth on its inner surface instead of fluted, and is provided with a special form of wire guard, whereas no form of wire guard is illustrated in the Simplex patent.

Cross-examination of G. J. HENRY.

On cross-examination the witness testified as follows: I am a practicing attorney as well as engineer, and at present am associated with Mr. Miller, counsel for plaintiff, in connection with some work. I have stated that the drawing of the Simplex Conduits patent, No. 19,971 of 1913 shows no guard for the heater. I consider that the part marked "H" shown in Figs. 2 and 3 of sheet 1 of the drawing, also in Fig. 7, to be the frame work on which the patentee intends to stretch a wire mesh, which wire mesh is mentioned in the specification. The specification does say on page 3, line 21, "The end of the reflector is fitted with a guard H, to pro-

(Testimony of George J. Henry.)

tect the heating element." Now, if he intended the element H of Figs. 2, 3 and 7 to be the guard for the heating element, then I am at a loss to interpret some of his drawings. [86] Take, for example, Fig. 7: This Figure 7 is "A view similar to Figure 3 of a modification with three heaters." He shows the lines H commencing apparently at the small end of the cone and entirely disconnected in any way from the outer ring; consequently I cannot see, judging from that figure alone, how that can be a guard across the front of the reflector, although it might be a ring inside and around the three elements of Fig. 8. The same testimony applies to the showing in Figure 3. The guard seems to be away inside of the reflector. I find nothing in any of the other figures to clear up such a hiatus. Figure 2 shows the guard H extending apparently all the way from the outer ring and as such it would be a three-wire guard extended across the front of the heater with a circular opening at the center; but it would so radically diverge from the wire mesh mentioned in the body of the specifications, that I am inclined to think he did not mean it as a guard across the front of the heater in the sense of the wire mesh shown, for example, in the model Plaintiff's Exhibit 7. I have criticised the portion of the patent specification relative to the parabolic curvature reflector as not adapted for use with the heater element here shown, on account of the length of the heater element. It has not occurred to me that if the reflector were made more

(Testimony of George J. Henry.)

shallow the heater element would naturally be made shorter to correspond. Quite the contrary. With the type of parabolic reflector shown in Defendant's Exhibit "J," the heat element would be shorter rather than longer. Generally speaking, the shorter the distance between the focal point and the directrix in two parabolas, the less will be the permissible area of volume within which your heat should be generated. In this case of Defendant's Exhibit "J," we have rather an acute parabola, one in which the focus is very deep seated, nearly to the bottom. The result would be that your heat element in such parabolic reflector would be very [87] much smaller proportionately than if the focus were much further forward; in other words, if the parabola were flatter. I take it that it is well within the scope of the presumed knowledge of the designer to proportion these parts to suit the conditions imposed by the laws of heat generation and radiation. If you have any definite set or parts to work to, he could undoubtedly proportion a curve that would be well suited to those particular parts, but my testimony was in reference to a long heat element. In this particular Defendant's Exhibit "J" type of parabola, it is a fact that the heat radiating from the outer portions—I think I am safe in saying that nine-tenths of the outer portions of the heat units upon being received upon the wires by the reflector will be projected inward into the reflector instead of outward.

JOHN H. MILLER,
Atty. for Plff.

[Endorsed]: Filed Dec. 17, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [88]

In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY,

Defendant.

**Plaintiff's Petition for an Order Allowing Appeal
from Order and Decree of October 4, 1920,
and from the Final Decree of November 1, 1920.**

Plaintiff in the above-entitled case feeling itself aggrieved by the order and decree heretofore made and entered in the minutes of the Court on October 4, 1920, whereby it was ordered that the bill of complaint be dismissed, and that a decree be signed, filed and entered accordingly, and feeling itself aggrieved by the final decree heretofore made and entered in the case on November 1, 1920, wherein and whereby it was ordered, adjudged and decreed that the plaintiff's bill of complaint be dismissed with costs to the defendant, which said decree was

signed by Hon. Robert S. Bean, United States District Judge.

Comes now into court by its counsel and prays the Court for an order allowing it to prosecute an appeal from the said order and decree of October 4, 1920, and from said final decree of November 1, 1920, to the Honorable United States Circuit Court of Appeals for the Ninth Circuit under and pursuant [89] to the laws of the United States in that behalf made and provided, and that an order be made fixing the amount of security of costs and damages which said plaintiff shall give and furnish on said appeal, and that upon said security being given, all further proceedings in this court and the issuance of execution be suspended and stayed until the final disposition of said appeal by the said United States Circuit Court of Appeals for the Ninth Circuit.

And your petitioner will ever pray, etc.

JOHN H. MILLER.

Dated: November 17, 1920. [90]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

Order Allowing Appeal of Plaintiff from Order and Decree of October 4, 1920, and from the Final Decree of November 1, 1920.

Plaintiff in the above-entitled suit having filed its petition for an order allowing an appeal from the order and decree made and entered in the minutes of the Court on October 4, 1920, and from the final decree made and entered in the case on November 1, 1920, accompanied by an assignment of errors:

NOW, THEREFORE, on motion of John H. Miller, Esq., attorney for plaintiff, it is

ORDERED that the said petition be and the same is hereby granted, and the plaintiff is hereby allowed to take an appeal to the United States Circuit Court of Appeals for the Ninth Circuit, from the order and decree made and entered on the minutes of this court on October 4, 1920, whereby it

was ordered that the bill of complaint be dismissed with costs to the defendant, and that a decree be signed, filed and entered accordingly, and also from the final decree made and entered in the above-entitled case on November 1, 1920, [91] wherein it was ordered, adjudged and decreed that the plaintiff's bill of complaint be dismissed with costs to the defendant.

And it further appearing that the plaintiff has prayed for a supersedeas and stay of execution of said decree pending said appeal.

IT IS ORDERED, ADJUDGED AND DECREED that the amount of security to be furnished by the plaintiff for damages and costs be and the same is hereby fixed at the sum of five hundred (\$500.00) dollars, and that upon the plaintiff furnishing and giving and filing with the clerk of the court the aforesaid bond, for damages and costs on appeal, in the sum of five hundred (\$500.00) dollars, conditioned as required by law, all further proceedings in this court and the issuance of execution be and the same are hereby suspended and stayed until the final determination of said appeal by the said United States Circuit Court of Appeals for the Ninth Circuit.

And it is further ORDERED, ADJUDGED AND DECREED that upon the giving of the bond aforesaid conditioned according to law, a certified transcript of the records and proceedings herein be forthwith transmitted to the said United States Circuit Court of Appeals for the Ninth Circuit.

Dated: Nov. 17, 1920.

R. S. BEAN,
U. S. District Judge.

[Endorsed]: Filed Nov. 17, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [92]

In the Southern Division of the District Court of
the United States, for the Northern District of
California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY,

Defendant.

**Plaintiff's Assignment of Errors on Appeal from
Order and Decree Entered in the Minutes, Octo-
ber 4, 1920, and Final Decree Made and Entered
November 1, 1920.**

Now comes plaintiff herein by its counsel and
specifies and assigns the following as the errors on
which it will rely upon its appeal to the United
States Circuit Court of Appeals for the Ninth Cir-
cuit from the order and decree made and entered in
the minutes of the court on October 4, 1920,
whereby it was ordered that the bill herein be dis-

missed with costs to defendant, and that a decree be signed, filed and entered accordingly, and from the final decree made and entered in the above-entitled case on November 1, 1920, whereby it was ordered, adjudged and decreed that the bill of complaint be dismissed with costs to the defendant to be taxed, viz.:

1. Error of the Court in making and entering the order and decree of October 4, 1920, whereby it was ordered that the bill of complaint be dismissed, and that a decree be signed, filed and entered accordingly. [93]

2. Error of the Court in making and entering its final decree of November 1, 1920, wherein and whereby it was ordered, adjudged and decreed that the plaintiff's bill of complaint be dismissed with costs to the defendant to be taxed.

3. Error of the Court in ordering, adjudging and decreeing that the plaintiff's bill of complaint be dismissed.

4. Error of the Court in holding that the patent in suit does not extend to the supporting stand or pedestal.

5. Error of the Court in holding that the design of the patent in suit relates to the reflector and the protective devices viewed in connection with the attendant heater element.

6. Error of the Court in holding that the patent in suit was not infringed by the defendant's devices.

7. Error of the Court in holding that the de-

fendant's devices are neither reproductions nor colorable imitations of the design patent in suit.

8. Error of the Court in holding that there are points of resemblance between the device of the patent in suit and the common telephone and electric fan.

9. Error of the Court in holding that there are two important differentiating features between the design patent in suit and the design of the defendant.

10. Error of the Court in holding that the turned over edges of the defendant's reflector in so far as affects appearance are wholly dissimilar to the broad annular flange of the patent in suit.

11. Error of the Court in holding that the broad annular flange is a conspicuous differentiating feature of the design patent in suit. [94]

12. Error of the Court in holding that upon the testimony of one of the plaintiff's witnesses who first observed the Westinghouse heater upon passing the show window where it was displayed shows that the outstanding feature in appearance of plaintiff's device was the heater element.

13. Error of the Court in holding that the design of the patent in suit is entirely void of purely ornamental features either of form or drapery.

14. Error of the Court in holding that the design of the patent in this suit is a nude utility.

15. Error of the Court in holding that the design of the patent in suit is a bare mechanism, no part or parts or lines of which can be dispensed with or substantially altered without impairing its utility.

16. Error of the Court in holding that one can-

not under the cover of a design patent debar others from employing the mechanical means necessary to give effect to a known and useful mechanical principle, however pleasing to the eye such requisite mechanism may be.

17. Error of the Court in holding that unless limited to the precise form illustrated in the drawing of the patent in suit, plaintiffs' design is anticipated in prior patents.

18. Error of the Court in holding that unless the design of the patent in suit is limited to the precise form illustrated in the drawing, the design is without invention.

19. Error of the Court in holding that the design of the patent in suit is anticipated.

20. Error of the Court in holding that the design of the patent in suit is without invention.

21. Error of the Court in holding that the casing shown in plaintiff's patent is simply a reflector of the most familiar type, old in the art, and without novelty either in configuration or feature. [95]

22. Error of the Court in holding that the contrast between the design patent in suit and the design as actually manufactured by the plaintiff under the Shoenberg patent is but the contrast of material, color and size, and not of form.

23. Error of the Court in holding that if prior designs manufactured by the plaintiff and the design of the patent in suit were both made of nickel or copper, there would be a similarity instead of a contrast between the two.

24. Error of the Court in holding that in the absence of contrasting color or size, there is a strik-

ing similarity in general appearance between the design of the patent in suit and the design previously manufactured by plaintiff under the Shoenberg patent.

25. Error of the Court in holding that the design of the patent in suit is shown and disclosed by the photograph of plaintiff's exposition exhibit.

26. Error of the Court in holding that the design of the patent in suit is almost identical with that shown in Fig. 1 of the English patent to Taylor, No. 102,070.

27. Error of the Court in considering or giving any effect whatever to the alleged English patent of Taylor, No. 102,070.

28. Error of the Court in holding that the alleged date of application for the alleged English patent to Taylor, No. 102,070, stated to be January 11, 1916, could be considered or have any effect in this case.

29. Error of the Court in holding that the alleged English patent to Taylor, No. 102,070, was applied for on January 11, 1916.

30. Error of the Court in holding that the alleged English patent to Taylor, No. 102,070, was issued November 15, 1916. [96]

31. Error of the Court in quoting from the alleged English patent of Taylor, No. 102,070.

32. Error of the Court in holding that the design in the patent in suit closely resembles the Warner device.

33. Error of the Court in holding that the design of the patent in suit closely resembles the parabolic "Simplex."

34. Error of the Court in holding that the design of the patent in suit closely resembles the "Fer-ranti Fires."

35. Error of the Court in holding that in the period of four or five years immediately preceding the patent in suit an unusual or widespread interest in the matter of electric heating had arisen.

36. Error of the Court in holding that the invention of the nichrome wire solved the problem of a dependable and efficient element.

37. Error of the Court in holding that the right to use the nichrome wire was involved in the litigation which was not finally concluded until about the time of the Brown patent in suit.

38. Error of the Court in holding that it was because of the invention of nichrome wire that heaters were put on the market in increasing numbers.

39. Error of the Court in holding that it was because of advertising and the arts of salesmanship that the desire for such heaters was greatly stimulated.

40. Error of the Court in holding that the plaintiff was to some extent the beneficiary of the activities of its competitors.

41. Error of the Court in holding that the attractiveness of the design of the patent in suit was due, not so much to slight changes in form as to increase in size and more particularly a substitution of the warm copper bowl [97] with suitable trimmings in place of the nickel type of heater.

42. Error of the Court in holding that the widespread use of the design of the patent in suit was due in part to changes in social and housing condi-

tions or the rapidly growing tendency to use electrical energy for divers purposes in the home.

43. Error of the Court in holding that the widespread use of plaintiff's design cannot be attributed to a slight change in the contour of the reflector.

44. Error of the Court in holding that the widespread use of the design of the patent in suit was due to the causes or any of them specified in the opinion of the Court.

45. Error of the Court in that its decree is not supported by the evidence.

46. Error of the Court in that its decision and decree is contrary to the evidence.

47. Error of the Court in its failure to give effect to the testimony produced by the plaintiff showing confusion in the trade, and deception of persons of ordinary intelligence taking the defendant's heater as and for the plaintiff's heater.

48. Error of the Court in failing to give effect to the testimony of the witness Labatt in respect of confusion in the trade and deception caused by defendant's heater.

49. Error of the Court in failing to give effect to the testimony of J. R. Hiller in respect of confusion in the trade and deception caused by the defendant's heater.

50. Error of the Court in failing to give effect to the testimony of G. L. Wentworth in respect of confusion in the trade and deception caused by the defendant's heater. [98]

51. Error of the Court in entering its order and decree in the minutes on October 4, 1920, through and by Honorable Maurice T. Dooling, the District

Judge who was then presiding, whereas the case was tried by and before Frank S. Dietrich, U. S. District Judge of Idaho, and the written opinion in the case was rendered by him.

52. Error of the Court in making and entering its order and decree of October 4, 1920, through and by Honorable Maurice T. Dooling, District Judge presiding, whereas the case was tried by and before Honorable Frank S. Dietrich, U. S. District Judge of Idaho, who had been specially designated to act as a trial judge for the Northern District of California only for the months of August and September, 1920, and such authority and commission expired on the last day of September, 1920.

53. Error of the Court in making and entering its decree of November 1, 1920, through Robert S. Bean, District Judge, whereas the case was tried by and before Honorable Frank S. Dietrich, United States Judge of Idaho, who had been designated and appointed to hold United States District Court for the Northern District of California during the months of August and September, 1920, only, and his authority and commission expired on the last day of September, 1920. [99]

NOW, THEREFORE, in order that the foregoing assignments of error may be and appear of record, the plaintiff presents the same to the Court and prays that the same may be filed and such disposition be made thereof as is in accordance with the laws of the United States in that behalf made and provided, and prays that said final decree be reversed, and that the District Court of the United

States for the Northern District of California, Second Division, be directed to enter an interlocutory decree in favor of the plaintiff and against the defendant in the usual manner and form, adjudging and decreeing the validity and infringement of claim 1 of the patent in suit, and enjoining any further infringement thereof, and referring the case to a Master in Chancery for an accounting of damages and profits. All of which we respectfully submit.

Dated: November 17, 1920.

JOHN H. MILLER,
Attorney for Plaintiff.

[Endorsed]: Filed Nov. 17, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [100]

In the Southern Division of the United States District Court for the Northern District of California, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

Bond on Appeal.

KNOW ALL MEN BY THESE PRESENTS:
That American Surety Company of New York, a

corporation organized and existing under and by virtue of the laws of the State of New York and duly licensed to transact a suretyship business in the State of California, is held and firmly bound in the penal sum of Five Hundred Dollars (\$500.00) to be paid to the Westinghouse Electric & Manufacturing Company, defendant, its successors or assigns, for which payment, well and truly to be made, the American Surety Company of New York binds itself, its successors and assigns firmly by these presents.

The condition of the foregoing obligation is such that,

WHEREAS the Majestic Electric Development Company, plaintiff in the above-entitled suit, has taken or is about to take an appeal to the United States Circuit Court of Appeals for the Ninth Circuit to reverse the order and decree made and entered on October 4, 1920, and the final decree made and entered on November 1, 1920, by the District Court of the United States [101] for the Northern District of California, Second Division, in the above-entitled suit, whereby plaintiff's bill of complaint was dismissed with costs to defendant.

NOW, THEREFORE, the conditions of the foregoing obligation is such that if the said Majestic Electric Development Company shall prosecute its said appeal to effect and shall answer all damages and costs, if it shall fail to make its plea good, then this obligation shall become void; otherwise to remain in full force and effect.

Dated at San Francisco, California, November 17th, 1920.

AMERICAN SURETY COMPANY OF
NEW YORK.

By D. ELMER DYER,
Resident Vice-president.

[Seal]

Attest: E. C. MILLER,
Resident Asst. Secy.

Approved Nov. 19, 1920.

R. S. BEAN,
Judge.

[Endorsed]: Filed Nov. 19, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [102]

In the Southern Division of the United States Dis-
trict Court for the Northern District of Cali-
fornia, Second Division.

No. 492.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY,

Defendant.

Order Allowing Withdrawal of Original Exhibits.

Good cause appearing, on motion of John H. Miller, Esq., counsel for Majestic Electric Development Company, plaintiff in the above-entitled suit.

IT IS ORDERED that all of the original exhibits offered in evidence in the above-entitled cause may be withdrawn from the files of the above-entitled court and from the clerk thereof, and be by said clerk transmitted to the United States Circuit Court of Appeals for the Ninth Circuit, as a part of the record on appeal of the plaintiff herein to said Circuit Court of Appeals, from the order and decree made and entered in the minutes on the fourth day of October, 1920, and the final decree made and entered on the first day of November, 1920, which said original exhibits are to be returned to the files of this Court upon the determination of said appeal by the said Circuit Court of Appeals.

Dated Nov. 23d, 1920.

(Sgd.) R. S. BEAN,
Judge U. S. District Court.

[Endorsed]: Filed Nov. 24, 1920. Walter B. Maling, Clerk. [103]

(Title of Court and Cause.)

Praeceptum for Transcript of Record.

To the Clerk of the United States District Court:

Please prepare transcript of record on appeal from the final decree in the above-entitled suit, and incorporate therein the following:

1. Bill of complaint.
2. Final amended answer.
3. Order designating Judge Dietrich to hold court in the Northern District of California.

4. Opinion of Judge Dietrich.
5. Minute order of October 4, 1920.
6. Final decree of November 1, 1920.
7. Statement of evidence.
8. Petition for order allowing appeal.
9. Assignment of errors.
10. Order allowing appeal.
11. Order allowing withdrawal of exhibits.
12. Bond on appeal.
13. Citation.

JOHN H. MILLER,
Attorney for Plaintiff.

Dated November 23d, 1920.

Service of the within praecipe for transcript of appeal admitted this —— day of November, A. D. 1920.

D. L. LEVY,
W. SHELTON,
Attorneys for Defendant.

[Endorsed]: Filed Nov. 23, 1920. W. B. Maling,
Clerk. By J. A. Schaertzer, Deputy Clerk. [104]

In the Southern Division of the United States District Court, in and for the Northern District of California, Second Division.

No. 492—EQUITY.

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Plaintiff,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,

Defendant.

Certificate of Clerk U. S. District Court to Transcript of Record.

I, Walter B. Maling, Clerk of the District Court of the United States, in and for the Northern District of California, do hereby certify the foregoing one hundred four (104) pages, numbered from 1 to 104, inclusive, to be full, true and correct copies of the records and proceedings as enumerated in the praecipe for transcript of record, as the same remain on file and of record in the above-entitled cause, and that the same constitute the record on appeal to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify that the cost of the foregoing transcript of record is \$46.50; that said amount was paid by John H. Miller, Esq., attorney for plaintiff; and that the original citation issued herein is hereunto annexed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District Court this 29th day of December, A. D. 1920.

[Seal] WALTER B. MALING,
Clerk United States District Court for the North-
ern District of California. [105]

Citation.

UNITED STATES OF AMERICA,—ss.

The President of the United States, to Westinghouse Electric & Manufacturing Company,
GREETING:

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals for the Ninth Circuit, to be holden at the city of San Francisco, in the State of California, within thirty days from the date hereof, pursuant to an order allowing an appeal, of record in the clerk's office of the United States District Court for the Northern District of California, Second Division, wherein Majestic Electric Development Company, is appellant, and you are appellee, to show cause, if any there be, why the decree rendered against the said appellant, as in the said order allowing appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

WITNESS, the Honorable ROBERT S. BEAN,
United States District Judge for the District of Oregon, designated to hold and holding the District

Court of the United States, for the Northern District of California, this 19th day of November, A. D. 1920.

R. S. BEAN,
United States District Judge. [106]

Received a copy of the within Citation on Appeal this 23d day of November, 1920.

D. L. LEVY,
W. SHELTON,
Attorneys for Defendant.

[Endorsed]: No. 492. United States District Court for the Northern District of California. Majestic Electric Development Co., Appellant, vs. Westinghouse Electric & Mfg. Company. Citation on Appeal. Filed Nov. 23, 1920. W. B. Maling, Clerk. By J. A. Schaertzer, Deputy Clerk.

[Endorsed]: No. 3616. United States Circuit Court of Appeals for the Ninth Circuit. Majestic Electric Development Company, a Corporation, Appellant, vs. Westinghouse Electric & Manufacturing Company, a Corporation, Appellee. Transcript of Record. Upon Appeal from the Southern Division of the United States District Court for the Northern District of California, Second Division.

Filed December 29, 1920.

F. D. MONCKTON,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

By Paul P. O'Brien,
Deputy Clerk.

United States Circuit Court of Appeals for the
Ninth Circuit.

MAJESTIC ELECTRIC DEVELOPMENT COM-
PANY,

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFAC-
TURING COMPANY,

Appellee.

**Order Enlarging Time to and Including January
20, 1921, to File Record and Docket Cause.**

Good cause being shown, it is hereby ordered that the appellant in the above-entitled suit may have to and including the 20th day of January, 1921, within which to file the record on appeal and to docket the cause in the United States Circuit Court of Appeals for the Ninth Circuit.

Dated December 20, 1920.

W. H. HUNT,
Circuit Judge.

[Endorsed]: No. 3616. United States Circuit Court of Appeals for the Ninth Circuit. Order Under Subdivision 1 of Rule 16 Enlarging Time to and Including Jan. 20, 1921, to File Record and Docket Cause. Filed Dec. 20, 1920. F. D. Monckton, Clerk. Refiled Dec. 29, 1920. F. D. Monckton, Clerk.

No. 3616

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,

Appellant,

VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,

Appellee.

APPELLANT'S OPENING BRIEF.

[Design Patent 51,043, Electric Heater Casing.]

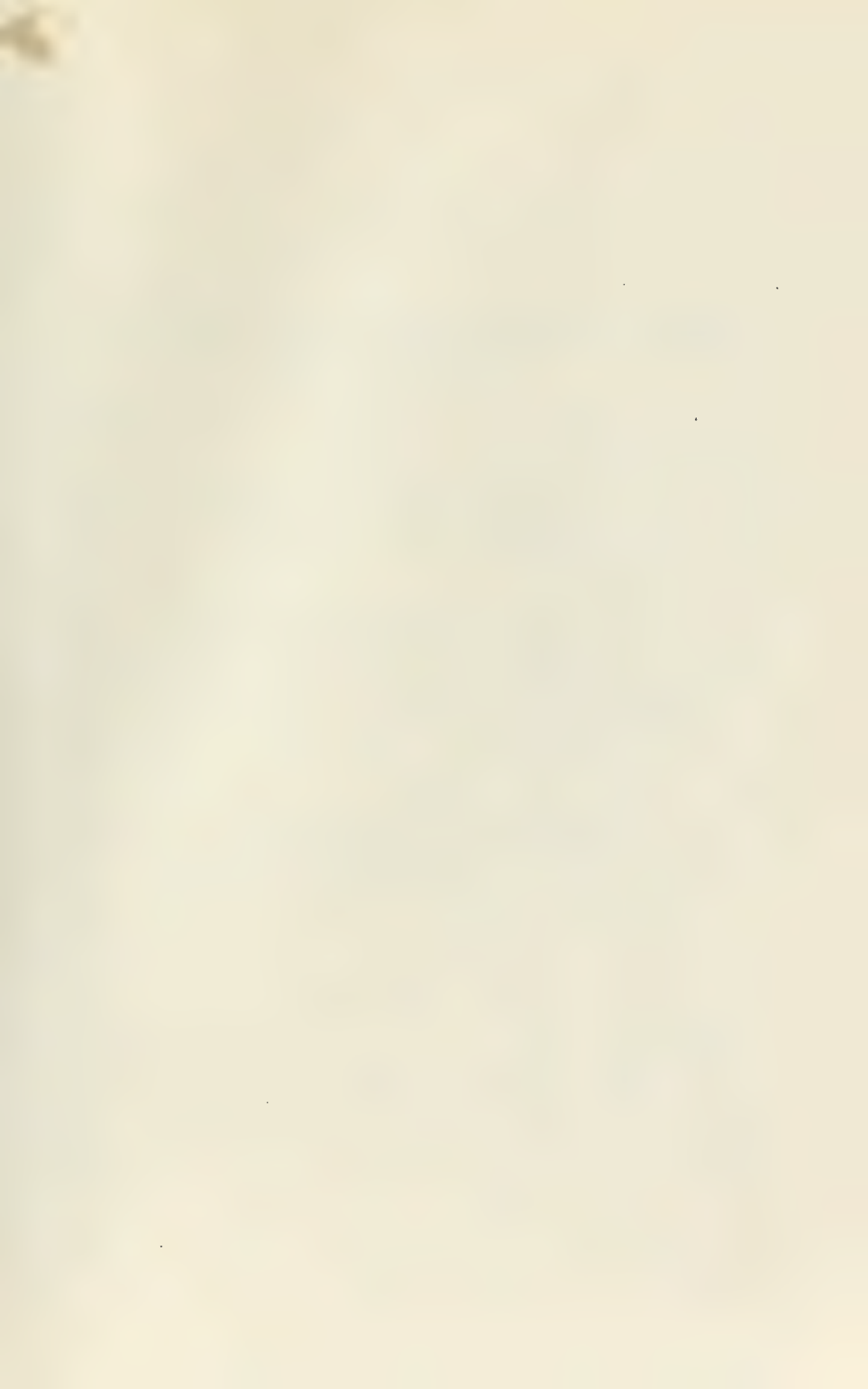
JOHN H. MILLER,

Attorney for Appellant.

FILED

FEB 21 1921

F. D. MONROE
CLERK



Index.

	Page
Statement of Facts.....	1
Law of Design Patents.....	3
History of the Brown Invention.....	7
Plaintiff's Patented Device.....	14
Defendant's Device	15
Rule of Law for Testing Improvement of Design Patents..	16
Question of Improvement.....	22
(a) Evidence of Sense of Sight.....	22
(b) Fact Evidence in the Case.....	24
(c) Prior Litigation	31
Review of Lower Court's Decision.....	32
(a) Extent of Design Patents.....	33
(b) Flat Flange v. Round Flange.....	37
(c) Arrangement of Heater Element.....	38
(d) Ornamental Features	42
(e) Narrow Construction	44
An Additional Thought.....	46
Widespread Use	48
(a) Nichrome Wire	50
(b) Advertising and Salesmanship.....	51
(c) Social and Housing Conditions.....	53
Was There a Mistrial.....	54

No. 3616

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,
*Appellant,*¹

VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,
Appellee.

♦

APPELLANT'S OPENING BRIEF.

[Design Patent 51,043, Electric Heater Casing.]

Statement of Facts.

This is an appeal from a final decree dismissing a bill of complaint. The suit was based on design patent, No. 51,043, granted on July 17, 1917, to Edmund N. Brown, assignor to the Majestic Electric Development Company. The invention is entitled "Design for an Electric Heater Casing", and relates to the portable electric heaters now widely used throughout the world, in which the heat generated by an electric element is

(1) The Majestic Electric Development Co. will for brevity be designated as plaintiff and the Westinghouse Electric & Mfg. Co. as defendant.

reflected from a copper reflector on the object to be heated, thereby heating the object by direct impingement of heat rays, as in case of solar heat, instead of by heating the surrounding air.

The suit was tried in the District Court for the Northern District of California before Honorable Frank S. Dietrich, District Judge of Idaho, acting under and pursuant to a designation duly made to that effect by the Senior Circuit Judge. The trial was completed on September 1, 1920, and thereupon Judge Dietrich returned to his home in Idaho without rendering a decision. Afterwards he prepared a written opinion while in Idaho, and transmitted it to the clerk of the court, the same being filed with the clerk on the 4th of October, 1920. On the same day the District Court (Honorable Maurice T. Dooling presiding) made and entered an order in the minutes to the effect that in accordance with the opinion referred to, the suit should be dismissed and a decree entered accordingly (Rec. 19). Afterwards, on November 1, 1920, in accordance with said minute order, the District Court through Honorable Robert S. Bean, United States District Judge of Oregon presiding, signed the decree dismissing the bill (Rec. 36), and it is from this decree that the appeal is taken.

We think that Judge Dietrich's opinion is based on an erroneous conception of the law of design patents. Therefore, it will be necessary for us, before arguing the facts of this case, to outline the law of design patents as to its fundamental principles, after which

a comparison of Judge Dietrich's opinion therewith will show the error we complain of.

The Law of Design Patents.

There is a broad distinction between mechanical patents and design patents. In the former function is all important, and external appearance of no moment. There the fundamental inquiry is, what does the mechanism do, what function does it perform, not what it looks like in appearance to the eye of an observer. Hence beauty of appearance is not important. But in the case of a design patent function is of no moment and the appearance of the article is all important. The design is tested solely by its appearance to the eye.

The leading case is *Gorham v. White*, 14 Wall. 511, 524, where it is said in the syllabus:

“And the thing invented or produced, for which a patent is given, is that which gives *a peculiar or distinctive appearance* to the manufacture or article to which it is applied. It is *the appearance to the eye* that constitutes mainly if not entirely, the contribution to the public which the law deems worthy of recompense, and identity of appearance or sameness in effect upon the eye, is the main test of substantial identity of design.” (Italics ours.)

This court closely followed the *Gorham* decision in the case of *Grelle v. City of Eugene*, 221 Fed. 68.

In view of what has been said, the correct definition of a design can be easily formulated, but we know of no better one than that given by Mr. Robinson in Section 200 of his work on patents, which reads as follows:

“A design is an instrument created by the imposition upon a physical substance of some peculiar shape or orna-

mentation which produces a particular impression upon the human eye, and through the eye upon the mind. Its creation involves a change in the substance itself, and not merely in the mode of presenting it for sale; and affects, not its abstract qualities, nor those on which its practical utility depends, but those only which determine its appearance to the sight."

Judge Nixon, when speaking of design patents in the case of *Theberath v. Harness Co.*, 15 Fed. 250, says:

"They differ from patents for inventions or discoveries in this respect, that they have reference to appearance rather than utility."

We have referred to this fundamental doctrine because, in our opinion, the learned Judge of the lower court disregarded it in his decision and applied to our design patent the rigid rules of law applicable only to mechanical patents in matters respecting utility and function. That matter will be discussed later.

The law under which design patents are granted is Section 4929 of the Revised Statutes, which was passed in 1902.² It reads as follows:

"Sec. 4929. Any person who has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law and other due

(2) The first Design Patent law of the United States was passed in 1842, but was repealed by the Act of 1861, and that in turn was repealed by the Act of 1870. Finally the Act of 1902 was passed.

proceedings had, the same as in cases of inventions or discoveries covered by section forty-eight hundred and eighty-six, obtain a patent therefor."

According to this enactment the design, to be patentable, must be new, original and ornamental. The words new and original need no comment, as their meaning is sufficiently plain. The remaining term, ornamental, needs a word of explanation.

This term does not mean *artistic*, as will be seen from the fact that when Section 4929 was originally proposed in Congress, it contained the words "new, original, and artistic", but the word ornamental was substituted for artistic (H. R. No. 1661, 57th Cong. 1st Session). This word simply means *pleasing in appearance*. It is that characteristic which gives to an article a pleasing appearance, and thereby enhances its saleable value and enlarges the public demand therefor. This is the accepted rule, and no clearer exposition thereof can be found than Judge Coxe's opinion in *Untermeyer v. Freund*, 37 Fed. Rep. 342.

This pleasing appearance of an article may result from surface ornamentation and decoration. But the article may be entirely devoid of surface ornamentation or decoration, and in such case the pleasing appearance may reside in the shape or configuration of the article, or by the arrangement of the parts, or balanced effect of the several features as a whole, imparting the idea of gracefulness, strength, or harmony.

An instructive illustration is found in the case of *Ashley v. Tatum*, 181 Fed. 840, and the same case on appeal in 186 Fed. 339.³ In that case the patent was for an inkstand having a certain contour and proportion of parts, but without any surface ornamentation. It was severely simple in contour, but graceful in proportion of parts.

Another apt illustration is found in the case of *Pelouze Scale Co. v. American Cutlery Co.*, 102 Fed. 916, where the design was wholly devoid of ornamentation, and the underlying concept was the idea of gracefulness and strength.

These views find an illustration in the ancient Greek architecture. The Doric column was severely simple and devoid of surface ornamentation, while the Corinthian and Ionic columns were highly ornate. Yet no one will deny to the Doric column the attribute of beauty. In fact the Parthenon, which utilized the Doric column, is considered to be the most beautiful specimen of architecture ever devised by the ingenuity of man. Its beauty resides primarily in its simplicity of outline carrying with it the idea of harmony, solidity, and strength.

We have submitted these considerations *in limine* because the opinion of the lower court seems to be based on the theory that a design patent is grantable only for surface ornamentation and adornment, which is an erroneous idea. We shall take up the matter later more in detail.

(3) On appeal the decision of the lower court was reversed on the ground of non-infringement, but the validity of the patent was not disturbed.

History of the Brown Invention.

In 1914 the Majestic Electric Development Company was incorporated for the purpose of exploiting a portable electric heater. Edmund N. Brown and Milton H. Shoenberg were the two active parties in that corporation, and the company essayed to put on the market portable electric heaters made under a mechanical patent, which had been issued to Shoenberg on September 1, 1914, as No. 1,109,551 (Defendant's Exhibit I). The business was an experimental one at the start, Mr. Brown saying that it was "in a period of evolution", and they were experimenting all the time to see what was the best (Rec. 102). The relevancy of this will be appreciated when it is remembered that up to that time no successful portable electric heater had been placed on the market. Several efforts in that line had been made by others, notably one by the Westinghouse Electric & Manufacturing Company; but all those efforts proved unsuccessful and were practically abandoned. *The credit is due to Brown and his coadjutors for producing and placing upon the market the first portable electric heater which proved a permanent success, and that heater is covered by the patent in suit.*

The various evolutionary steps taken by Brown and his company will be instructive. The first heater they essayed to put on the market in 1914 was of the pendant type, designated by the plaintiff's trade name "No. 1". The reflector was of small dimensions, made of nickel, and the shape was like a pie-plate. It was adapted to be hung from a lighting fixture in the

ceiling or other point of suspension, not to be moved about on the floor (Rec. 97). One of the devices was introduced in evidence and marked "Plaintiff's Exhibit 6". This device was purely experimental. It proved unsuccessful and was soon abandoned.

Shortly afterwards the shape of the reflector of this first device was changed from a pie plate to that of a shallow dish or soup plate. It likewise was made of nickel and intended to be hung from a point of suspension as in the case of the first device. One of the devices was put in evidence by defendant and marked "Defendant's Exhibit A" (Rec. 98). This likewise proved to be a failure and was abandoned.

The next heater put on the market by plaintiff was one known by their trade name "No. 2". It consisted of a small nickel reflector of a flat dish shape mounted on a fluted column fastened in a base plate and adapted to be moved about from place to place in a room. It is represented by defendant's Exhibit B and was abandoned (Rec. 98).

About the same time another device was put on the market by plaintiff in which the reflector was similar to that of "No. 2", but was so arranged that it could be adjusted up and down on a vertical rod, and at the top of this rod was a glass knob adapted to be used as a handle for moving the device from place to place in a room. This device is represented by plaintiff's trade name "No. 3", and one of the devices is in evidence as "Defendant's Exhibit D". It likewise was abandoned (Rec. 98).

Thus we see that plaintiff made three distinct efforts to produce a successful device, designated as No. 1, No. 2 and No. 3, and they all proved ineffective and were abandoned.

The next effort of plaintiff is represented by a series of devices known by the plaintiff's trade names "1b", "2b", and "3b". They all had a small bell-shaped nickel reflector, differing radically from the reflectors of No. 1, No. 2, and No. 3 and roughly resembling a bell (Rec. 98-9). They were gotten up with the idea of being improvements in appearance upon the dish-shaped reflector devices which had preceded it and had been abandoned.

The device "1b" was of the pendant type, adapted to be suspended from a fixed point. The device "2b" corresponded to the original No. 2, except for the change in the shape of the reflector, while "3b" was the same as "2b" except for the addition of a second element. In other words, "1b" was to take the place of No. 1, "2b" was to take the place of No. 2, and "3b" the place of No. 3. These heaters were put on the market in the fall of 1915, but they proved to be unsuccessful and were soon abandoned (Rec. 99).

During that time the plaintiff had also gotten up another heater resembling in appearance an oil stove, but that also was abandoned. It cuts no figure in this case, except to show another of the numerous unsuccessful experiments of plaintiff put forth in search for a successful heater.

The next heaters put on the market by plaintiff were known by their trade names "No. 4", "No. 5" and "No. 6"; but they were of the box type form, and cut no figure in this case either one way or another. They show the general appearance of a fire place or grate, somewhat similar to the old style gas heaters with asbestos backing (Rec. 99).

At this stage of the game the heater covered by the patent in suit was devised. The exact date of the invention is not given in the evidence, but it does appear that as early as April 4, 1916 (Rec. 40), plaintiff made and produced a sample of this heater and gave to it the name "No. 7", by which name it will be hereafter referred to. The exemplar of the device in evidence is marked "Plaintiff's Exhibit No. 2" (Rec. 40). It proved to be a success from the start, and thereupon all the prior heaters were permanently abandoned, and No. 7 proved to be the successful device for which Brown had been striving since 1914. It was the culmination of his experiments (Rec. 99-100). In this connection Brown says at pages 99-100 of the record:

"Our object in getting out so many styles of these heaters was that I knew I did not have the one that I wanted until I got the No. 7. I was striving until I hit on the No. 7. I did not have the one that I thought was the proper heater. I tested that matter out by putting them on the market and before the trade and selling them, and in this chain of evolution I finally reached the No. 7 heater, and I found that out as I put them out to the trade. The others were abandoned all excepting Nos. 4, 5 and 6 (box type heaters) which we are selling today, but that is a different type of heater. After our No. 7 came on the market we did not put out any other style or change the design."

With this sample heater of April 4, 1916, in hand, Brown went East in that month for the purpose of securing bids for its manufacture on a large scale (Rec. 40). He visited persons in Canada, New York, and Philadelphia, showed the sample heater to them, and got quotations on the manufacturing cost (Id). He was absent on this trip several months and returned to San Francisco in August, 1916 (Rec. 41). At that time he concluded to manufacture in San Francisco and immediately entered into a contract with the Boesch Lamp Company for the manufacture of the heater in quantities (Rec. 41). Dies, patterns, and other paraphernalia were prepared by the Boesch Lamp Company on a large scale and the manufacture of the No. 7 heater was begun in the fall of 1916 (Hiller, pp. 56-7, Record).

The first sale was made in October, 1916, to Holbrook, Merrill & Stetson and Harper & Reynolds at Los Angeles, totalling 500—250 to each of these firms (Rec. 40). The heater gave instant satisfaction (Id.). During the remainder of the year 1916 (about two months) plaintiff sold from 7000 to 8000 of the heaters, sending them throughout the entire United States (Rec. 41). The demand increased, and during the years 1917, 1918, 1919, and up to August, 1920 (the time of this trial), plaintiff sold from 350,000 to 400,000 (Rec. 42). The selling price at first was \$7.50 each, but at the time of the trial had increased to \$11.00.

A factory for their manufacture was started at Philadelphia to supply the eastern demand (Rec. 41), and an office was opened in Kansas City (Rec. 42) to

accommodate the middle-west territory, the parent factory being at San Francisco. From its inception in 1916, the business has increased with "leaps and bounds" (Rec. 100) until now it has reached enormous proportions, and what was once an infant industry is now a large and successful business extending not only throughout every part of the United States, but into China, Japan, New Zealand, Australia, Spain, France, Great Britain, Italy, Denmark and the South American countries (Rec. 42).

It is pertinent at this point to remark that the various forms of heaters attempted to be marketed by the plaintiff prior to the advent of No. 7 were experimental being put on the market in an effort to ascertain what was most satisfactory, and they were all abandoned as unsuccessful experiments immediately upon the advent of the No. 7 heater in October, 1916. Since then no substantial changes have been made in the No. 7 heater, and it is in substantially the same form now as it was in October, 1916, the only addition made being a hinge in the standard for varying the angle of the heat rays. That feature is covered by a separate patent to the plaintiff.

After the success of the No. 7 heaters had been demonstrated plaintiff applied for its patent on May 28, 1917, and the same was granted on July 17, 1917, for a term of seven years (Rec. Patent Exhibit 1).

It further appears that in the summer of 1917 the Hotpoint Electric Heating Company in Southern California put upon the market an infringing heater under

the name of the "Hedlite" heater. It was a portable electric heater having a copper reflector mounted on a standard supported in a base, with an electric element in the concave of the reflector, and was provided with a wire guard or cage on the front. As soon as this heater appeared on the market, plaintiff began two actions for infringement at San Francisco, one being against the Holabird Electric Co., a dealer, and the other against the Hotpoint Co. and its dealer, Hale Brothers, Inc. These actions were begun in September and October, 1917. Trials were had in June, 1919, and verdicts rendered in favor of the plaintiff, upon which judgments were entered. Writs of error were sued out, but before hearing in this court the controversy was compromised and licenses given (Rec. 42 and Judgment Rolls in those cases).

During the pendency of that litigation the Hotpoint Electric Company sold out to the Edison Electric Appliance Co., which said company assumed defense of the cases, and a compromise was effected whereby the litigation was terminated.

During the interim other companies began to sell what we claim to be infringements, and among them was the Westinghouse Electric & Mfg. Co., the defendant herein. This company put its heater on the market sometime during 1918 or 1919, and in July of 1919 formal infringement notice was sent to them (Rec. 44-5). The notice being disregarded, the present suit was commenced on November 1, 1919. Trial was had in August, 1920, resulting in a decree of dismissal. From that decree this appeal is prosecuted.

Plaintiff's Patented Device.

This heater, known by the trade-name "No. 7", comprises a substantial circular base usually colored a dark brown, a vertical standard mounted in the center of the base, a highly polished, concave, copper reflector mounted at the apex of the standard, an electric element mounted within the concave of the reflector transversely of its axis, a flat annular flange extending around the outer edge of the reflector, a wire guard or cage arched over the front of the reflector, and a handle at the back of the device for removal from place to place in a room. In addition to the above features there is a supplemental back attached to the rear of the reflector, providing a dead air space, but this feature is of no importance in the present case as it neither adds to nor detracts from the appearance of the device. In fact it is concealed from view.

This assemblage of elements into a unitary structure produces an article having a graceful and pleasing appearance, imparting at the same time an impression of harmony, symmetry, and beauty. In fine, it is a highly ornamental piece of furniture for the drawing room, bed room, or dining room. When lit up by the electric current, the copper bowl resembles a ball of fire. It arrests attention immediately as being ornamental as well as useful. That it is proper subject matter for a design patent cannot be denied, for it is a "new, original, and ornamental design for an article of manufacture" (R. S. 4929).

That it required the exercise of the inventive faculty for its production cannot be denied. The prior unsue-

cessful and abandoned experiments made by plaintiff with the small nickel reflectors of other shapes, forms, contours, and appearance, together with the instantaneous and wide-spread success of the patented device when put on the market, and the fact that other large manufacturers took advantage of this and placed similar devices on the market are persuasive evidences of invention. Indeed, these facts were so potent that the learned judge of the lower court did not rule that the patent was invalid, but based his decision on the conclusion that it was not infringed by the defendant's structure.

The opinion of the lower court says:

“The first design, the one with the wide annular flange (No. 51,043) is not thought to be infringed by the defendant's devices. They are neither reproductions nor colorable imitations.”

We start, therefore, with the premise that this patent is valid, and the sole inquiry is the question of infringement.

Defendant's Device.

The defendant's structure is a portable electric heater intended for identically the same purpose as the plaintiff's. It has a substantial circular base of dark color, in the center of which is mounted an upright standard. This standard, however, is forked at its apex so as to produce a trunnion joint, whereby the reflector can be tilted at different angles. This joint, however, is concealed from view when one stands in front of the device, so that the general appearance of the article from the front is in no wise affected there-

by. It also contains a highly polished concave copper reflector having a turned over edge or round flange around the outer edge, and an electric heating unit arranged within the bowl of the reflector, but longitudinally instead of transversely, a wire cage or guard arched over the face of the reflector, and a handle at the back of the reflector for moving it from place to place. It is illustrated by plaintiff's Exhibit No. 5.

It will be seen from the foregoing description that practically the only differences from plaintiff's device are (1) the arrangement of the heating element longitudinally instead of transversely, (2) the substitution of a turned over or round flange for the flat flange around the edge of the reflector.

We submit that these two modifications do not so alter the appearance as to prevent the article from having substantial similarity to that of the plaintiff. That is the question for decision.

Before proceeding further with the question of infringement, it may not be out of place to refer generally to the test of infringement applicable to a design patent.

Rule of Law for Testing Infringement of a Design Patent.

We need go no further than to refer to the leading case of *Gorham v. White*, 14 Wall. 511, where the court says at the bottom of page 526 et seq.:

“We are now prepared to inquire what is the true test of identity in design. Plainly it must be *sameness of appearance*, and mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight vari-

ances in configuration, if insufficient to change the effect upon the eye, will not destroy the substantial identity. An engraving which has many lines may present to the eye the same picture, and to the mind the same idea or conception as another with much fewer lines. The design, however, would be the same. So a pattern for a carpet, or a print may be made up of wreaths of flowers arranged in a particular manner. Another carpet may have similar wreaths arranged in a like manner, so that none but very acute observers could detect a difference. Yet in the wreaths upon one there may be fewer flowers and the wreaths may be placed at wider distances from each other. Surely in such a case the designs are alike. The same conception was in the mind of the designer, and to that conception he gave expression.

“If, then, identity of appearance, or, as expressed in *McCrea v. Holdsworth*, *sameness of effect upon the eye*, is the main test of substantial identity of design, the only remaining question upon this part of the case is, whether it is essential that the appearance should be the same to the eye of an expert. The court below was of the opinion that the test of a patent for a design is not the eye of an ordinary observer. The learned judge thought there could be no infringement unless there was ‘substantial identity’ ‘in view of the observation of a person versed in designs in the particular trade in question; of a person engaged in the manufacture or sale of articles containing such designs—of a person accustomed to compare such designs one with another, and who sees and examines the articles containing them side by side.’ There must, he thought, be a comparison of the features which make up the two designs. With this we cannot concur; such a test would destroy all the protection which the Act of Congress intended to give. There could never be piracy of a patented design, for human ingenuity has never yet produced a design, in all its details, exactly like another, so like, that an expert could not distinguish them. No counterfeit bank note is so identical in appearance with the true that an experienced artist cannot discern a difference. It is said that an engraver distinguishes impressions made by the same plate. Experts, therefore, are not the persons to be de-

ceived. Much less than that which would be substantial identity in their eyes would be undistinguishable in the eyes of men generally, of observers of ordinary acuteness, bringing to the examination of the article upon which the design has been placed that degree of observation which men of ordinary intelligence give. It is persons of the latter class who are the principal purchasers of the articles to which designs have given novel appearances, and if they are misled, and induced to purchase what is not the article they supposed it to be, * * * the patentees are injured, and that advantage of a market which the patent was granted to secure is destroyed. The purpose of the law must be effected if possible; but plainly it cannot be if, while the general appearance of the design is preserved, minor differences of detail in the manner in which the appearance is produced, observable by experts, but not noticed by ordinary observers, by those who buy and use, are sufficient to relieve an imitating design from condemnation as an infringement.

“We hold, therefore, *that if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.*” (Italics ours.)

This rule was applied by this court in the case of *Grelle v. City of Eugene*, 221 Fed. 68, where the court, at page 71, says:

“The leading case upon the subject of design patents is *Gorham v. White*, 14 Wall. 511. * * * The rule was there laid down that the true test of identity of design was the sameness of appearance; that mere difference of outline in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, if insufficient to change the effect upon the eye, will not destroy the substantial identity. That an engraving which has many lines may present to the eye the same picture, and to the mind the same idea or conception, as another with much fewer lines. That it is not essential to identity of design

that the appearance should be the same to the eye of an expert. If, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same—if the resemblance is such as to deceive such an observer, and sufficient to induce him to purchase one, supposing it to be the other—the one first patented is infringed by the other. This rule has been uniformly followed in cases involving design patents.”

And this court then cites ten cases as authorities. We may add that since that decision, which was in February, 1915, many more cases to the same effect have been decided, one of the latest being *Geo. Borgfeldt & Co. v. Weiss*, 265 Fed. R. 268 (decided March 19, 1920).

This rule is plain and simple. It cannot be misunderstood or misinterpreted. It holds that *substantial similarity in appearance to the eye of an ordinary observer is all that is necessary to establish infringement*. It is not necessary that the thing patented should be copied in every particular. If the offending article has the same general appearance to the eye of an ordinary observer, and to such person appears to be substantially similar to the patented design, that is enough. If the resemblance is such as to deceive the purchaser and induce him to buy the article under the impression that he was buying the patented article, there is infringement. To put it in slightly different language, the true test is *substantial sameness of appearance to the eye of an ordinary observer, bringing to the examination of the article that degree of observation which men of ordinary intelligence usually give*.

It is no test to place the two articles side by side and note the differences. Such a test would be too severe on the validity of the patent. The true way is to take an ordinary person who was already familiar with the patented design and who had never seen the alleged infringing structure, and ascertain what impression would be made on his mind upon first seeing the infringing device in the absence of the patented device. In other words, having in mind the appearance of the patented device, would such a person upon seeing for the first time the infringing device in the absence of the patented device conclude that it was the patented device?

“Although two designs are easily distinguishable when placed side by side, if they are so nearly alike that an ordinary purchaser, giving such attention as is usually given, would be deceived, infringement is established.” *Symons on Pats. for Designs*, p. 63, citing *Friedberger v. Chapin*, 151 Fed. R. 264.

“This decision⁴ is important in that it points out that the test of infringement is not properly made by placing the patented and alleged infringing device side by side; such a test is too severe on the validity of the patent.” *Symons on Pats. for Design*, p. 68 (bottom).

In *Graff v. Webster*, 195 Fed. 522, Judge Coxe said:

“Having seen the complainant’s design in a show case or shop window, the ordinary buyer would be very likely to mistake the defendants’ design for it, if seen in similar environment. This is the real test of infringement of design patents. If the ordinary buyer, having seen one of complainant’s dishes and wishing to procure one like it, would be induced to buy one of the defendants’ dishes in-

(4) Referring to *Perry v. Starratt*, 3 Bann & Ard 489; s. c. 19 Fed. Cas. 295.

stead, it is enough. That he would be so deceived is plain, not only from the testimony that persons were actually deceived, but also from an examination of the dishes themselves. Their general appearance is so similar that a minute and careful inspection is required to distinguish the differences.”

This rule is repeated and affirmed by the Court of Appeals of the Second Circuit in the case of *George Borgfeldt & Co. v. Weiss*, 265 Fed. 268, decided March 19, 1920, and reported August, 1920. That case involved a design for a new doll invented by Miss Pfeffer of San Jose, and known to the public generally as “Splashme” dolls. A cut of the design appears at page 269 of the report, which shows a doll having a certain posture, with a bathing cap on its head provided with a flaring bow, and the feet of the doll are bare. A picture of the defendant’s doll is shown at page 270 of the report. It has no cap of any kind; the hair on its head is painted; the posture of the arms and legs are slightly varied, and it has painted slippers on its feet. It was called by the trade-name “Duckme”. The lower court thought that these differences obviated infringement; but the Court of Appeals thought differently and held that notwithstanding these differences the general appearance of the doll as a whole was so similar to that of the plaintiff as to constitute infringement. In other words, a person familiar with plaintiff’s doll and desiring to purchase another, if shown the defendant’s doll, would conclude that it was the plaintiff’s doll, notwithstanding the absence of the cap, the presence of the painted hair on the head and painted slippers on the feet. He would remember the

general appearance and posture of the doll, but he might not remember the presence of the cap on the head or the absence of the slippers on the feet. The general appearance as a whole would be the thing fixed in his memory. We think this decision is absolutely conclusive of the case at bar.

Question of Infringement.

The sole question to be determined by this court is that of infringement. Does the Westinghouse heater, as represented by plaintiff's Exhibit 5, so closely resemble the plaintiff's patented design in appearance as to deceive a person of ordinary intelligence and induce him to think that the Westinghouse heater is a Brown patented heater? Or, to put it in a little different language, is the similarity of appearance between the heaters such that a Westinghouse heater can be passed off as and for a Brown heater upon an ordinary purchaser? This is a question of fact and must be answered by the testimony contained in the record.

1. In the first place, the evidence of ones own sense of sight is sufficient to show infringement.

At the time that Brown's No. 7 was put on the market there was no other electric portable heater on the market of such distinctive appearance as to be confused therewith. The Westinghouse Company had attempted to market a device known as the Cozy Glow heater, represented by their Geiger patent No. 1,194,168 and the model Exhibit M. But the appearance of that heater is so radically different from ours that it may be dismissed from consideration.

The small nickel-plated devices attempted to be marketed by the Majestic Company prior to No. 7 are so clearly distinguishable in appearance from No. 7 as to be ineffective for any purpose of the appellee.

In fine, heater No. 7 has a distinctive and characteristic appearance different from anything which preceded it, and it immediately became known as the product of the Majestic Electric Development Company. This must be true because the Majestic Company alone dealt in the article, and there was no other article on the market so nearly resembling it as to be taken therefor. It became identified in the mind of the public with the Majestic Company, so that whenever any person saw exposed for sale a portable electric heater having the elements of No. 7, with a polished copper reflector glowing like a ball of fire, such person would immediately conclude that it was a Majestic heater No. 7.

In this connection it is to be noted that the purchasers of such articles are those of ordinary intelligence, house-wives, servants, clerks, messenger boys, and persons in the ordinary branches of trade, having but little if any knowledge of electrical laws. If such person, knowing that the copper bowl reflector, mounted on a portable stand and having an arched wire guard in front, was the product of the Majestic Company, because that was the only company having such an article on the market at all, should happen to see in a display window of a store for the first time a Westinghouse heater, he would in all probability conclude that the same was a Majestic heater No. 7. The dominant

outstanding characteristics of the Majestic heater No. 7 are so striking and attractive that the result above indicated would probably follow. This is particularly true when the heater is lit up, as is frequently the case when it is on display in the shops.⁵

We ask your honors to place yourselves in this position—supposing that you were well acquainted with the Majestic heater, but with no other heater of the same type, and should see for the first time a Westinghouse heater displayed in a store window, would you not instantly suppose that it was a Majestic heater No. 7? Is not the general similarity in appearance sufficient to induce that conclusion? Undoubtedly if you were to place the two heaters side by side and make a critical comparison thereof, you would note differences, but that is not the proper test. The proper test is, assuming acquaintance with the patented design but not with the alleged infringing device, would an ordinary casual examination of the alleged infringing device in and by itself, in the absence of the patented design, be sufficient to induce an ordinary person to believe that it was the patented device and induce him to take it for the patented device? That is the fundamental question for this court to decide.

2. But the fact evidence in this case appears to us conclusive.

MRS. HENRY LABATT, who may be taken as a person of ordinary intelligence, was called as a witness for the

(5) It has been held that, in the case of lamp shades, it is proper to consider their appearance when lighted up as in actual use. *Macbeth v. Rosenbaum*, 199 Fed. R. 154.

plaintiff (Rec. 49-56). She was a housewife, residing in San Francisco, and for a long time had been familiar with the Majestic No. 7 heater but had not seen a Westinghouse. Accompanied by a friend she was walking along Sutter Street and saw a heater, which afterwards proved to be a Westinghouse, displayed in front of a store (The Liberty Electric Co.).

When she first looked at it she took it for a Majestic heater and passed on. After going a few steps she went back to the window and made a closer examination. She still thought it was a Majestic heater, but by a close examination she discovered the name "Westinghouse". When she saw that the heating element was arranged lengthwise instead of crosswise, she merely thought to herself that Mr. Brown had changed the position of the element. She did not for a moment suppose that the heater was made by someone else, and it was not until by a close examination she found the name of the Westinghouse Electric Mfg. Co. that she concluded that the heater was not made by the Majestic Company.

The point to be observed here is that the change in the position of the heater element from crosswise to lengthwise did not prevent the witness from being deceived, and she drew the conclusion most naturally to be drawn therefrom, to wit, that the heater was the Majestic heater, but for some reason or other it was thought advisable to change the position of the element. She said:

"Well, I just thought that it was Mr. Brown's heater. I had no other thought but that that was Mr. Brown's

heater and that he had changed the element of the heater. That is what impressed me as I passed by the stove.” (Rec. 55.)

Again she says at page 51:

“I went back and looked at it and examined it, and I still had the thought of Mr. Brown changing the element. I still thought it was a Majestic heater. I was convinced until I saw the name that it was a Majestic heater.”

Again at page 52:

“I took a good look at the heater, and still thought, until I saw the name, that it was Mr. Brown’s heater.”

And at page 53:

“And the model of the stove is so similar to the Majestic, the whole structure of the stove is so much like the Majestic.”

We think this testimony is conclusive, because it shows a case of actual deception of a person of ordinary intelligence. Mrs. Labatt’s testimony appears between pages 49 and 56 of the Record, and we ask that it be read in its entirety.

But this was not all. The witness J. R. HILLER likewise gave testimony substantiating our contention (Rec. 56-63). He was the manager of the Boesch Lamp Co., manufacturer of plaintiff’s heaters and was thoroughly familiar with the Brown heater, having manufactured them by the thousands. At page 57 of the Record he says:

“I have seen the Westinghouse heater such as is shown by Exhibit 5, with the Westinghouse name and trade mark on it, and I know of occasions where there has been confusion created in the market by the similarity of that heater to Mr. Brown’s No. 7.”

Continuing his testimony he says that he had never seen one of these Westinghouse heaters until he went into a store on Mission Street operated by MR. WENTWORTH, who stated that he had just bought one of them (meaning the Majestic) and it was upstairs (Rec. 59):

“* * * and he mentioned that he just purchased a heater, one of our heaters” (Rec. 61).

Thereafter the two men went upstairs where the heater was, and Mr. Hiller saw that it was not a Majestic, but a Westinghouse, and that was the first time Hiller had ever seen a Westinghouse heater, and he says (Rec. 59):

“what passed through my mind at the time was that it was a new imitation of the heater we were putting out”.

On cross-examination he said that Wentworth told him that “he had one of our heaters” (Rec. 60), and on page 62 of the Record we find the following testimony by Mr. Hiller:

“Q. He might have said, ‘I have just purchased one of these heaters such as you make’, might he not?

A. Had he said that I would have forgotten the incident; it would have gone entirely out of my mind, because I know that people are purchasing those heaters here, there, and everywhere; but he said ‘one of your heaters’. It was forcibly drawn to my attention that he must have been misled. That fact could not be changed. It was not my business where he purchased his heater and I had no right to question him about it and I did not.

Q. Well, whatever he said he conveyed to you the impression that in his mind he had purchased one of the heaters turned out by your establishment?

A. That was what was conveyed to me at the time.”

From this it is apparent that Wentworth had been deceived into buying a Westinghouse heater as and for a Majestic heater.

Subsequently Wentworth was called as a witness by the defendant and substantially confirmed the fact of his deception. His testimony will be found between pages 93 and 97 of the Record. It appears therefrom that he had been using three Majestic heaters No. 7 for quite a time, and having occasion to use another one, he gave orders to a clerk to go out and purchase another heater. The clerk did so and brought back a heater and set it up in Mr. Wentworth's office. He (Wentworth) did not examine it closely and had been using the heater for a month or something like that, evidently under the impression that it was a Majestic heater, when Mr. Hiller called on him, as testified to by Hiller, and he learned for the first time that this fourth heater was not a Majestic, but a Westinghouse. At page 95, after saying he had sent a clerk to buy another heater, he says:

“It was a Westinghouse heater that came. I have a recollection as to when I observed that it was a Westinghouse heater, at the time the talk⁶ was brought up. * * * When the talk⁶ came up, it was called to my attention that it was not a Majestic heater such as was manufactured by the party.”⁷

And at page 96:

“But somebody ultimately called my attention to the fact that it was different from the other heaters and that person was Mr. Hiller. I should judge that was four or

(6) The talk referred to was the conversation with Hiller.

(7) The party referred to was Hiller.

five or six months ago. I cannot tell exactly. At that time I had been using the heater probably a month or something like that."

We think this testimony is convincing. Here was a man of more than ordinary intelligence, a dealer in electrical devices, who was familiar with the Majestic heater but not the Westinghouse. He was using three Majestic heaters, and wanted another one, and sent out a messenger who purchased what he (Wentworth) supposed was another Majestic heater, but which in fact was a Westinghouse. He used that Westinghouse heater for over a month, and when Mr. Hiller called on him he remarked in casual conversation that he had just bought "one of your heaters", referring to the recently purchased Westinghouse heater. This shows that Wentworth had been using the Westinghouse heater for a month or more under the impression that it was a Majestic heater.

Mr. Hiller also stated that several times damaged Westinghouse heaters were brought into his place of business for repair, and that evidently the people who brought them thought that they had been manufactured by the Boesch Lamp Company, the manufacturer of the Majestic (Rec. 59-60). While this is not direct, it is indirect evidence that the people who had purchased the Westinghouse heaters thought they were purchasing Majestic heaters. But in any event it shows confusion in the market caused by the Westinghouse heater.

Mr. Hiller also stated that on one occasion at Sacramento, where he had gone to take estimates for work

of some kind at an aeroplane factory, the manager, Mr. Jordan, brought out a couple of heaters which were damaged, and asked Mr. Hiller if he could fix them up, saying,

“Maybe you can fix up those two heaters of yours in there for me” (Rec. 58).

After examining the heaters Hiller told Jordan that they were not Majestic heaters, and Mr. Jordan seemed somewhat astonished and said,

“It looks very much like it” (Rec. 58).

It is true that these two heaters were not Westinghouse heaters. They were Hotpoint heaters; but the Hotpoint heaters had substantially the same general appearance as the Westinghouse heater in that they utilized a copper bowl reflector having a rounded flange instead of a flat flange. They are the heaters which were held to be an infringement of the Majestic heaters in the case of *Majestic Electric Development Company v. Holabird Electrical Company*.

We think that the testimony of Labatt, Hiller and Wentworth is convincing to the effect that the Westinghouse heater so nearly resembles the Majestic heater No. 7 in appearance that it not only can be, but has actually been, taken and passed off as and for the Majestic heater No. 7. That is the test of infringement. There was no evidence to contradict these three witnesses. It stands unchallenged. *We submit that cases must be decided upon the evidence submitted and that the decision in this case is directly contrary to the evidence. The lower court simply ignored this evidence.*

3. The prior litigation also sustains our contention.

The first infringing device to appear on the market was that of the Hotpoint Electric Manufacturing Company, and plaintiff promptly brought suit against the Holabird Electrical Company, the district agent of the Hotpoint at San Francisco, for infringement. The device therein involved is represented by Plaintiff's Exhibit 3. It will be seen therefrom that it has a copper bowl reflector and a rounded flange instead of a flat flange around the edge. It is smaller in size than the Westinghouse, but very much resembles the Westinghouse in appearance. If the Hotpoint device is an infringement, then the Westinghouse device is likewise an infringement. The Holabird case was tried before a jury of twelve men. They were men of ordinary intelligence, and they held that infringement had been made out. The judge who presided at the trial (Judge Trippet) declined to set aside the verdict, thereby holding, at least inferentially, that the verdict of the jury was correct. There we have the deliberate views of thirteen men [a jury of twelve and the presiding judge], deciding that in their opinion the Hotpoint copper bowl reflector having a round instead of a flat flange, is an infringement. While this decision cannot be claimed as *res adjudicata*, nevertheless it should have been followed on the doctrine of *stare decisis*.

As the matter now stands, one company (the Hotpoint) marketing in the Northern District of California, a heater having a copper bowl with a round instead of a flat flange is an infringer, while another company

(the Westinghouse), manufacturing in the same district substantially the same kind of a device is not an infringer. In other words, there is one rule of law for Hotpoint and a different rule of law for Westinghouse. And this too in the same district, to wit, the Northern District of California. Is it possible that the law on a certain subject can be one thing for one person and a different thing for another person at the same time and in the same jurisdiction?

In view of this situation and of the additional fact that there was evidence of actual deception from three witnesses, we think that the proper administration of justice would have been to decree infringement and leave to this court the ultimate decision on that question.

In view of the apparent simplicity of the case, according to our opinion, it will be instructive to ascertain the precise ground on which the case was decided. Therefore, we invite the court's attention to

A Review of the Lower Court's Decision.

The case was tried in conjunction with a case between the same parties on Brown's mechanical patent, No. 1,245,084, of October 30, 1917, and Brown's separate and second design patent, No. 51,253, of September 11, 1917, not involved on this appeal. As stated by the court, these cases were tried consecutively, the first being the present case. The opinion is an omnibus one dealing with all three of said specified patents. The first part of it is devoted to the mechanical patent, and the latter part to the two design patents conjointly. That portion referring to the second design patent (No.

51,253) is not material in the present case and will be discussed in a separate appeal which we have taken from the decision involving this second design patent, the said case being No. 3618 of this court. A copy of that portion of the decision relating to the design patent in suit, is hereto annexed as an appendix for the purpose of convenient reference. We have pursued this course because the second design patent (No. 51,253) was held by the lower court to be invalid, and therefore must be treated differently from the patent in suit, whereas the patent in suit (No. 51,043) was, inferentially at least, held to be valid but not infringed.

Remarks on Extent of Design Patents.

In the first part of the decision, it is said:

“There could be, and of course is, no claim for size, color, or material, nor, as I understand, does the patent extend to the supporting standard or pedestal, which is of the common telephone type. The patented designs, therefore, relate to the reflector and the protective devices, viewed, of course, in connection with the attendant heater element.”

There is a fundamental error contained in this quotation, showing that the learned judge had misconceived the scope of the patent. It is not correct to say that this patented design does not extend to the supporting standard or pedestal and relates solely to the reflector and the protective devices viewed in connection with the heater element. *It extends to the entire assemblage of elements producing a distinctive appearance as a whole.* One cannot segregate from that assemblage the pedestal or standard or arched wire guard, or any other

part and say that they are no part of the combination and that the claim must be limited solely to the residue or remaining parts. The device is sold as a whole, and the entire assemblage must be viewed together as such in ascertaining the impression imparted to the eye thereby. It is the entire assemblage of elements, not a limited part thereof, which produces the impression.

When one looks at the heater, a complete picture thereof in its entirety is reflected on the retina of the eye as upon a mirror, and that picture, through the optic nerve, produces the impression on the mind. Manifestly it is impossible to blot out any portion of the picture. One standing in front of a mirror sees his entire image in the glass. He cannot disregard a half of the image and say he sees only the remaining half.

In *Jammes v. Carr-Lowry Glass Co.*, 132 Fed. 828, which involved a design patent for a bottle, the court said:

“The *whole* is so connected as to form one design for an ornamental bottle as a bottle, and this is what the design is for. This court is of the opinion that it was not necessary to commingle the fluted neck with the ornamental base. They are connected and go together *as one whole*, and neither would be complete without the other. To commingle the fluted neck or its lines with the ornamental base would destroy the effect and beauty of the whole. In a design for a bottle, each part has its appropriate place and location, and in this case the general effect upon the eye of *the whole* is to be considered, and as all the parts are so connected as to form *one whole*, it is sufficient.” (Italics ours.)

In the case of *Boldt v. Turner*, 199 Fed. 142, which also covered a design for a bottle, the court said:

“Undoubtedly appellant is entitled to have its bottle considered as a whole—a unitary body. Whether or not the device of a design patent satisfies the requirements of the statute is a matter to be determined from the impression it makes upon the mind through the eye.”

In *Graff v. Webster*, 195 Fed. 522, the court said:

“It is the design *as a whole*, and not the segregated scrolls, leaves, flowers and forms which are united to produce the general effect which must be considered. The situation in this respect is analogous to machines made up of a combination of old elements. The machine produces a new result, the design a new impression upon the eye. To refuse patentability to a design because the separate elements are old, would be tantamount to denying originality to ‘The Lion of Lucerne’, because other sculptors before Thorwaldson had carved lions from stone. It would relegate ‘The Angelus’ to obscurity because other artists before Millet had painted peasants at work in the harvest field.” (Italics ours.)

In *Pelouze Scale & Mfg. Co. v. American Cutlery Co.*, 102 Fed. Rep. 916, it is said:

“Design, in view of the patent law, is that characteristic of a physical substance which, by means of lines, images, configuration and the like, *taken as a whole*, makes an impression through the eye upon the mind of the observer. The essence of a design resides not in the elements individually, nor in their method of arrangement, but in their *tout ensemble*, in that indefinable *whole* that awakens some sensation in the observer’s mind.” (Italics ours.)

And this court in *Grelle v. City of Eugene*, followed the same rule and held that it was sameness of appearance to the eye which determined the identity of designs.

This rule clearly refers to the sameness of appearance of the article to which the design is applied as

a whole. It does not refer to sameness of appearance of a part of the article or to a portion of the individual elements forming the combination. It seems clear, therefore, that the learned judge of the lower court was in error in eliminating from consideration the supporting standard or pedestal or arched wire guard or any other part or element of the patented design and limiting his consideration to a comparison of defendant's reflector with the plaintiff's reflector. We insist that in ascertaining whether defendant's structure has the same appearance as that of plaintiff we must look to the structure as a whole, as an assemblage of elements constituting a whole, and cannot segregate or omit any one or more of the elements of the combination and confine our attention to what is left. The learned judge of the lower court dismissed from consideration all parts or elements of the plaintiff's assemblage save and except the reflector in connection with the attendant heater element, and then deduced the conclusion that the defendant's reflector with a longitudinal arrangement of heater element presented a different appearance from the plaintiff's reflector with a transversely arranged heater element. He should have compared the defendant's heater as a whole, including all of its various elements, with the plaintiff's heater as a whole and all of its elements, and then inquired whether the impression conveyed to the mind of an ordinary observer was substantially the same in both cases, whether one device could be taken for or passed off as the other. And in that connection he would naturally inquire whether a heater with the longitudinal arrangement of elements would produce a

different impression on the eye from a heater with the transverse element. We have already seen from the testimony of three witnesses that the impression would be the same and that persons were actually deceived.

Distinguishing Features.

The learned judge then goes on to specify what he styles "important distinguishing features" of the two devices, which are as follows:

(1) The flat flange around the edge of the plaintiff's reflector is said to be different from the round flange of the defendant's reflector and these devices are said to be "wholly dissimilar" as affects appearance.

(2) So likewise, he contends, is the longitudinal arrangement of the heater element in one and the transverse arrangement in the other.

(3) The casings of both the plaintiff and the defendant, it is asserted, "are entirely devoid of purely ornamental features, either of form or drapery", and are "nude utilities".

(4) Unless the plaintiff's patent is limited to the precise form illustrated in the drawings, meaning the broad flat flange and the transverse arrangement of element, it is said to be anticipated or devoid of invention.

We shall consider these four points briefly.

Flat Flange v. Round Flange.

As to the first of these distinctions, the flat flange around the reflector, we insist that it is not such "a conspicuous differentiating feature" of the plaintiff's

design as to negative infringement by a device having the round flange of the defendant. The crucial question here is whether the substitution of the round flange for the flat flange produces such difference of appearance in the whole article as to justify a person of ordinary intelligence, when looking at it for the first time, to conclude that it is not the plaintiff's design. We submit that this question must be answered in the negative, and in support of that we point to the fact that the evidence shows that it did not have that effect in ordinary practice. Mrs. Labatt was deceived. Mr. Wentworth likewise was deceived. Mr. Hiller testifies that frequently owners of Westinghouse heaters having the round flange brought them to him for repair thinking that they were the Majestic heaters.

And still further, a jury and a judge in the case against the Holabird Electrical Company decided that the Hotpoint device, which had a round flange substantially similar to that of Westinghouse, produced the same impression on the eye of an ordinary observer as the flat flange device of the plaintiff and was therefore an infringement.

If the evidence in the case is to govern, then it must be held that the difference in the form of the flange is not such "a conspicuous differentiating feature", as will prevent deception.

Arrangement of Heater Element.

As to the second contention that the longitudinal arrangement of the heater element is so different from the transverse arrangement as to produce a "wholly

dissimilar appearance" in the article itself, the same remarks apply as in the case of the flat flange. People were actually deceived, as a matter of fact, by Westinghouse heaters containing the longitudinal arrangement. Mrs. Labatt says that she was deceived notwithstanding the different arrangement, and even when she noted the different arrangement the conclusion which she arrived at was that the Westinghouse heater, which she saw for the first time, was a Brown heater, but that Mr. Brown had changed the arrangement of the element. She was not undeceived until by a critical examination she discovered the name Westinghouse on the heater as the manufacturer. We cannot conceive how there could be any stronger evidence than this.

And apparently Mr. Wentworth was deceived every day for over a month into thinking that a Westinghouse heater with the longitudinal arrangement of the element was a Majestic heater, and he was an electrical man engaged in selling electric motors. Of course, if he had placed the two heaters side by side and critically examined them, he, being an electrical dealer, would have detected differences and would also have found the name of the Westinghouse Company on the Westinghouse heater as the manufacturer; but, as we have already stated, that would not have been a correct test. There is no denial of the Wentworth episode, and it stands as a fact proven in the case.

On this point a most singular error is found in the opinion of the learned judge, where he says that during the trial, whenever it became necessary for him to quickly identify the defendant's design, his eye involun-

tarily sought the heater element as the most distinguishing mark. This, we think, proves our contention. For several days he had been critically examining the two heaters, and he had thereby learned the fact that in the plaintiff's the element was arranged transversely and in the defendant's longitudinally. *With this fact firmly fixed in his mind*, he would naturally distinguish the rival heaters by the arrangement of the elements, because that was the shortest and most convenient way of doing it. If one of the heaters had been provided with a red ribbon and the other with a blue ribbon his argument would have been no stronger. Apparently there seems to have been nothing else in his mind to distinguish the heaters, which at least shows that in his opinion the heaters were similar in appearance except for the arrangement of the element. Of course, if a person were told that plaintiff's heater is characterized by a transverse arrangement of element, and the defendant's heater by a longitudinal arrangement, and that fact became firmly fixed in his mind, he naturally would distinguish the heaters accordingly. The same result would follow if the heaters were distinguished by red and blue ribbons. But take the case of a person who was familiar with plaintiff's transverse arrangement of heater element and had never seen or heard of the Westinghouse heater with its longitudinal arrangement, and should for the first time see such a heater in the absence of the plaintiff's heater, would the Westinghouse heater with its longitudinal arrangement of element convey to his mind a distinctly different appearance from what he recollected was the appearance

of the plaintiff's heater? We answer the question in the negative. Such person may not have remembered the exact arrangement of the element in plaintiff's heater. He would remember, however, that there was a heater element there arranged in some way which produced the glow, and it would be immaterial to him whether it was arranged transversely or longitudinally. Both arrangements produce identically the same effect and there was nothing distinctively characteristic in the transverse arrangement which would carry a permanent picture thereof in his mind as distinguishable from a longitudinal arrangement. When he saw the Westinghouse heater for the first time he would see a heater producing by means of an element in a reflector the same effect as the Brown heater, and not having the Brown heater before him, but relying only on his recollection of it, he would naturally conclude that the heater he was looking at was a Brown heater, because the Brown heater was characterized by an element producing a glow. It was *the glowing element itself* which attracted attention, not the *angle of inclination* of such element. If by chance he should remember distinctly that in the Brown heater the element was arranged transversely, whereas in the heater he was examining the element was arranged longitudinally, while all the remaining parts of the heater were the same, then the natural conclusion would be that Mr. Brown had changed the inclination of his element, *and that was exactly what happened to Mrs. Labatt*. She saw the Westinghouse heater with the longitudinal element and concluded immediately, from her recollection

of the appearance of the Brown heater, that it was a Brown heater and that Mr. Brown had merely varied the inclination of the element. She was deceived, and it was not until she made a critical examination of the implement and found the name of the Westinghouse Company that she concluded it was not a Brown heater. *This is undisputed evidence in the case. It must be taken at its face value.*

But furthermore, the patent is entitled "Design for an Electric Heater *Casing*", and the specification and claim so designate the invention. It would seem from this that the heater element is no part of the design, but that the design is a *casing* to be used in connection with any kind of a heater element however that element is arranged.

Purely Ornamental Features.

As to the third contention of the learned judge that the casings of both the plaintiff and defendant "are entirely devoid of purely ornamental features, either of form or drapery; they are nude utilities", and the further statement that "they are bare mechanisms, no parts or lines of which can be dispensed with or substantially altered without impairing their utility", if by this is meant that the heater is not patentable as a design, we must entirely disagree. Such a doctrine would be destructive of the whole system of design patents. An article may be devoid of purely ornamental features; it may have no drapery, and yet may be the subject matter of a design patent. It is not necessary that there should be surface ornamentation or drapery

or adornment as distinguished from nude utility to sustain a design patent. Contour, configuration, form, proportion of parts, and balancing of elements into a symmetrical whole are sufficient to sustain a design patent. Indeed, the learned judge admits that these designs are not without "comeliness", and that by reason of their "simplicity and symmetry and the glow", they may be pleasing to the eye. If so, the requirements of the law as to design patents are complied with. Such an article is entitled to protection under the law of designs.

The learned judge has misconceived the law on this subject. He seems to think that there must be surface ornamentation or adornment or drapery or artistic excellence separate and apart from what he calls "nude utilities" in order to support a design patent. This is not the law. Contour, form, configuration, simplicity and symmetry of parts may and frequently do constitute beauty, or at least esthetic excellence. It is true that surface ornamentation, adornment, drapery and purely ornamental features may be made the subject matter of a design patent, whether the articles to which they are attached be useful or not in the utilitarian sense of the term. But they are not the only patentable devices within the purview of the law. Contour, configuration, simplicity, symmetry, producing on the mind a pleasing appearance, when applied to a utilitarian article of commerce, is within the purview of the law. Thus, design patents have been granted for chairs, washers, lamp shades, bedsteads, lamps, badges, stoves, harness trimmings, saddles, spoons, casings for disin-

fecting apparatus, grass hooks, brooches, neckscarfs, bottle stoppers, sign plates, bicycle saddles, reflectors, lace trimmings, hose supporters, hat bands, monuments, inkstands and many other devices (*Boldt v. Turner*, 199 Fed. R. 142).

Such is the article now before the court. It is a highly useful article from a utilitarian point of view, and at the same time it is of graceful and comely appearance because of its simplicity and symmetry of parts which produce a pleasing effect. In fine, it is ornamental as well as useful.

Narrow Construction of Patent.

As to the last contention of the learned judge, that unless limited to the precise form illustrated in the drawings, plaintiff's design is anticipated by prior patents or devoid of invention in view of the prior art, we have merely to say that here he has applied to a design patent a rigid rule of construction applicable only to mechanical patents. No design patent undertakes to cover anything more than what is shown in the drawing. The claim itself is merely a claim for the ornamental design as shown. It is the general appearance of the article which is covered by the patent. But when we come to the matter of infringement of such a claim, the question is whether the alleged infringing article has the same general appearance or such similar appearance as to cause deception. It may be different in details; it may omit one element; or it may add another; but if the general appearance is the same, then there is infringement.

“Many designs while differing in detail may present to the ordinary observer the same appearance. Sameness of appearance is identity of design.”

Bolte v. Knight, 180 Fed. R. 414.

You may not, as in the case of a mechanical patent, say that the omission of one element destroys the combination and thereby avoids infringement. The omission of one element in a design may not change the general appearance. The general appearance may be the same notwithstanding such omission. Otherwise the law of design patents would be of no efficacy at all. And so likewise the addition of an element may not change the general appearance. It is the substantial sameness of appearance which determines the question of infringement.

In the case of a mechanical patent for a combination, the omission of a single element, however insignificant, breaks the combination and avoids infringement. Not so, however, in case of a design patent. This distinction has been ignored by the learned judge, and we would say that his opinion is founded on this fundamental error. He has brought to the consideration of a design patent a rigid rule of law applicable only to mechanical patents. If his decision is allowed to stand in this case, it will practically destroy the law of design patents.

We again submit that the recent case of *George Borgfeldt & Co. v. Weiss*, 265 Fed. 268, is conclusive of the case at bar. There the plaintiff's doll had a cap on its head, with a flaring bow, whereas the defendant's doll had no cap at all. The hair of the plaintiff's doll was not painted and was concealed from view by the cap,

whereas the defendant's doll had painted hair and was open to view. The posture of the arms and legs of the two dolls slightly varied. The feet of the plaintiff's doll were bare, whereas the feet of the defendant's doll were covered with painted slippers. In other words, defendant had omitted certain elements of the plaintiff's combination and had also added other elements not found in the plaintiff's combination. These differences were much greater than the differences between Brown's heater and the Westinghouse heater. As we have already seen, the only differences worthy of note are a flat flange and the transverse element in Brown, and a round flange and longitudinal element in Westinghouse. Do these differences establish a different appearance of the article as a whole? The testimony of three witnesses answers this question in the negative.

If, as decided in the Borgfeldt case, the absence of a cap on the doll's head, together with the imposition of painted hair on the head, and the presence of painted slippers on the feet were not sufficient to change, in the mind of a purchaser, his recollection of the general appearance of a doll with a cap on its head and no slippers on its feet, then it is a reasonable conclusion that a heater having a round flange and longitudinal element would not be sufficient to change, in the mind of a purchaser, his recollection of the general appearance of a heater with flat flange and transverse heater. *Any way, such is the evidence in the case.*

An Additional Thought.

Supplementing what we have just said on this point, we call attention to another thought. Design patents

in many cases relate to matters which are comparatively trivial, and sometimes to objects which have no utilitarian feature, but are intended only to give pleasure through the sense of sight. Consequently, the law looks with much greater leniency upon such patents than it does upon patents for mechanical devices, and many of the harsh rigid rules applicable to mechanical patents are not applicable to design patents. In the case of designs, it seems incongruous to speak of a thing, which is characterized merely by its looks, as being an aggregation, or the mere product of mechanical skill, or devoid of invention in view of the prior art. The object of the law is to encourage the production of trivial things which give pleasure through the sense of sight. Judge Coxe, who has probably had as wide an experience with design patents as any other judge on the bench, used the following language in the case of *Untermeyer v. Freund*, 37 Fed. 345:

“It is impossible to read the literature upon this subject without being convinced that the courts, though applying the same rules, have looked with greater leniency upon design patents than patents for other inventions. From the nature of the case it must be so. A design patent necessarily must relate to subject matter comparatively trivial. The object of the law is to encourage those who have industry and genius sufficient to originate objects which give pleasure through the sense of sight.”

And similar views were announced by Judge Butler in the case of *Smith v. Stewart*, 55 Fed. 482. We quote from the opinion as follows:

“It would be absurd to say that the designs covered by these patents, generally, exhibit the exercise of ‘inventive

genius,' as the term is commonly applied to mechanical inventions. * * * Some of the rules applied to mechanical patents are wholly inapplicable to those for designs. As said by the supreme court in *Gorham v. White*: 'To speak of the invention as a combination * * * or to treat it as such is to overlook its peculiarities'. Such designs generally, if not uniformly, contain nothing new except the appearance to the eye, by arrangement of previously existing material, such as lines, scrolls, flowers, leaves, birds, and the like. The combination, where several separate objects are employed, need not be, and cannot be, such as this term signifies when applied to machinery—'the parts co-acting to produce a new and useful result' in the sense there contemplated. The object sought in a design is a new effect upon the eye alone—a new appearance; and the several parts need not have any other connection than is necessary to accomplish this result. * * * All the statute, as commonly interpreted, requires is the production of a new and pleasing design, which may add value to the object for which it is intended. The invention consists in the conception and production of this, however simple it may be."

We submit that the learned judge of the lower court disregarded these considerations when passing on the patent in suit. We now ask this court to apply them on this appeal. If they are applied, we feel confident that infringement must be found, and a reversal decreed accordingly.

Widespread Use.

We claim that under the decision of this court in *Morton v. Llewellyn*, 164 Fed. 693, following the rule of law established by the Supreme Court in *Krementz v. Cottle*, 148 U. S. 556, due consideration must be given to the fact of widespread and extended use of the Brown invention. The several nickel plated devices of different shapes, forms and appearance which preceded

Brown's No. 7 heater, were experimental in character and soon abandoned. But Brown's No. 7 heater immediately caught the fancy of the public and went into widespread and extensive use. During the last two months of 1916 from 7000 to 8000 of them were sold, and the demand therefor increased by "leaps and bounds" (Rec. 100). During the following years of 1917, 1918, 1919 and 1920 approximately 400,000 of them were sold (Rec. 42). These sales extended not only over the entire United States but over practically all the countries of the world (Id.), so that it may be safely said that there is no part of the civilized world which these heaters have not occupied. It must be remembered also that at the time of the advent of this heater, there was no other successful and satisfactory portable electric heater on the market, although there was a want for the same. Plaintiff had tried to fill that want by its small nickel plated heaters which proved unsuccessful. In addition thereto, the Westinghouse Co. had attempted to market what was known as the Cozy Glow heater, made under the Geiger patent, No. 1,194,168 and represented by the model "Defendant's Exhibit M". It employed a copper reflector of corrugated form resembling in shape and contour a clam shell, and two large electric light bulbs of the ordinary kind located within the circumference of the reflector. That heater likewise was a failure and has been practically abandoned. It serves a useful purpose in this case, however, as showing the desire on the part of the Westinghouse Company to place a portable electric heater on the market and their failure to obtain

the desired result. After the failure of this heater to meet the wants of the public in that line and the success of the plaintiff, the Westinghouse Company adopted its present heater in the latter part of 1918 or first part of 1919, which is charged by us to be an infringement.

Now, what we complain of in this connection, is that the learned judge of the lower court failed to give effect to those pregnant and suggestive facts. He apparently recognized that some excuse was due for failure to give them effect, and in that behalf he made several suggestions.

In the first place, he attributes success of the heater to nichrome wire. He says, for four or five years immediately preceding the Brown patents there had come to be an unusual and widespread interest in the matter of electrical heating, and that the invention of nichrome wire solved the problem of a dependable and efficient element, but the right to its use was involved in litigation which was not finally concluded until about the time of the Brown patents. This nichrome wire is covered by what is known as the Marsh patent. While no direct evidence was given by defendant to show the time when the validity of that patent was determined, yet by referring to the Federal Reporter we can establish the date.

The case of *Hoskins Manufacturing Co. v. General Electric Company*, 212 Fed. 422, involved said patent, and the decision of the lower court therein establishing its validity was rendered on November 10, 1913, which

is three years before the Brown heater No. 7 appeared on the market.

A reargument of that case was had and another decision affirming the first one was rendered on April 15, 1914, which was two years and six months prior to the advent of Brown's No. 7 heater.

It appears from the case of *General Electric Company v. Hoskins Manufacturing Company*, 224 Fed. 464, that the decision of the lower court on the Marsh patent was affirmed on May 20, 1915, which is one year and five months prior to the advent of Brown's heater No. 7.

It will thus appear that the learned judge of the lower court was in error when he stated that the litigation over this Marsh patent wire "was not finally concluded until about the time of the Brown patents". The nichrome wire had been in use for three years before the advent of Brown's heater No. 7, and yet no successful heater had appeared up to that time.

And still further, it appears from the testimony of Brown (Rec. 97), that other types of wire answering the same purpose as the Marsh were on the market, notably a type of wire known as the "Excello", and another as "Calido".

The learned judge of the lower court also surmised that heaters of this type began to be put on the market in increasing numbers "doubtless by means of advertising and the arts of salesmanship". There is no evidence in the record to sustain that surmise. That the plaintiff did do extensive advertising may be admitted; but it does not follow therefrom that it was the cause

of plaintiff's success with its No. 7 heater. No amount of advertising can make an article successful unless the article itself is one which commands success. Plaintiff had extensively advertised its small nickel plated heaters, as evidenced by its exhibit at the Panama Pacific Exposition in 1915, yet they proved a failure because they were not efficient in use or attractive in appearance. The public refused to take them, and they were supplanted by the No. 7 heater, which has retained its popularity all over the world up to the present day. Therefore, we assert that the surmise of the learned judge, and it is a mere surmise unsupported by evidence, that "advertising and the arts of salesmanship" may be accepted as an explanation of the success of the Brown heater No. 7, cannot be sustained. *Cases must be tried on the evidence submitted and not on surmise or conjecture.*

It is also suggested in the opinion of the learned judge that while plaintiff's No. 7 heater "was in some degree more efficient than its earlier devices and was more attractive in appearance", nevertheless its attractiveness was "due not so much to slight changes in form as to increase in size and more particularly a substitution of the warm copper bowl with suitable trim in the place of the nickel type of heater". This is likewise merely a surmise. But if it has any meaning at all, it is that the success of the No. 7 was due to its pleasing appearance, which the opinion characterizes as "comeliness", added to its "simplicity and symmetry and the glow". But this is in direct support of our argument and destroys the theory of the decision. We are contending that

the success of No. 7 is due in a large measure to its pleasing appearance, and the testimony of Brown sustains us in that contention. What matters it therefore if the pleasing appearance was due to "substitution of the warm copper bowl with suitable trim in the place of the nickel type of heater"? Any change or modification which produces a new and pleasing appearance is protected under the law.

It is also suggested in the opinion that:

"in the changes of social and housing conditions and in the rapidly growing tendency to use electrical energy for divers purposes in the home may doubtless be found contributing causes for the increased demand".

This likewise is a mere surmise unsupported by evidence in the case, and again we assert that law suits should be decided on the evidence produced and not on surmise and conjecture. But whether the surmise be correct or not, it in no degree weakens our argument, which is that the attractive appearance of this device was the principal cause for its great popularity, and it is of no moment what were the social conditions which gave rise to the demand for such a device. There may have been changes in "social and housing conditions"; there may have been a "rapidly growing tendency to use electrical energy for divers purposes in the home"; indeed, there may have been a multitude of industrial conditions calling for a heater of this kind—in fine, an urgent demand for such a heater. In such posture of affairs the man who, in response to the public demand, produces the heater wanted is entitled to the highest

credit, and if that heater goes into widespread and extended use all over the world, credit therefor, due to its inventor is not minimized by the social conditions which created the necessity for such a device. We submit that the opinion of the lower court does plaintiff a grave injustice and deprives it of the benefit of that which the law says it is entitled to.

Was there a Mistrial?

In conclusion there is a matter which we desire to call to the court's attention and which we submit without argument. It is this. The case was tried before Hon. Frank S. Dietrich, District Judge of Idaho, sitting in the place and stead of the resident judge of the Northern District of California, in pursuance of an order of the Senior Circuit Judge of the Ninth Circuit. That order appears at page 18 of the Record, and it authorizes Judge Dietrich

“to hold the District Court of the United States for the Northern District of California *during the months of August and September, 1920*, and to have and exercise *within* said District the same powers that are vested in the Judges thereof”.

We have taken the liberty of underscoring the most essential parts of said order. In pursuance thereof, Judge Dietrich tried the case during the month of September, 1920, and took it under advisement. He then returned to Idaho, where he wrote an opinion which was transmitted to the court at San Francisco and filed by the clerk on *October 4, 1920*. On the same day Judge Maurice T. Dooling was presiding in the District Court

for the Northern District of California, and in pursuance of the written opinion which had been sent by Judge Dietrich, ordered that a decree be entered dismissing the bill. Afterwards on *November 1, 1920*, when the Hon. R. S. Bean, District Judge of Oregon, was sitting in the District Court for the Northern District of California, a decree signed by Judge Bean dismissing the bill was entered in accordance with the order entered by Judge Dooling on October 4, 1920.

The question at once arises, is such a decree valid?

Judge Dietrich was appointed to hold court in the Northern District of California under provision of Section 14 of the Judicial Code, which provides that a Circuit Judge may in certain cases designate and appoint a judge of another district in the same circuit to have and exercise within the district first named the same powers that are vested in the judge thereof. It is to be observed, however, that the designated judge is to have and exercise judicial powers only "within the district" for which he is appointed. And it is to be further observed that according to the order of appointment Judge Dietrich was authorized to exercise those judicial powers only "during the months of August and September, 1920". The facts are that the term of Judge Dietrich's appointment expired before his opinion was filed, and said opinion was rendered by him while he was not within said district. Three questions arise:

(1) *Had he the power to act in the case at all while he was in Idaho and not within the Northern District of California?*

(2) *Had he the power to act in the matter after the expiration of the term for which he was designated to hold court in the Northern District of California?*

(3) *Can another Judge, who did not try the case, sign the decree?*

If either of these questions be answered in the negative, then there was a mistrial, and the decree would have to be reversed irrespective of the merits, and a new trial ordered. We submit these questions to the court for answer. They should be determined definitely in the interest of proper practice. It has not been unusual for a judge, who has been designated to hold court in the Northern District of California for a specified time, to return to his home after the expiration of that time and decide cases which were submitted to him during the designated time. In fine, it has been customary to follow the course pursued by Judge Dietrich in the present case, and were it a mere matter of convenience no question would be raised. But this is a question of power under a statute prescribing certain specific conditions under which a judge of one district may try and decide cases in another district. It must be conceded that Judge Dietrich would have had no authority to try this case in the Northern District of California in the absence of the designation required by the Judicial Code. If that is true, the question arises whether or not he has any authority under which a decree can be entered in the Northern District of California after the expiration of the time in which he was

designated to act as judge. In other words, it is not a case of expediency or convenience, but one of power.

Dated, San Francisco,
February 21, 1921.

Respectfully submitted,

JOHN H. MILLER,
Attorney for Appellant.

(APPENDIX FOLLOWS.)

Appendix.

APPENDIX.

That Part of the Opinion of the Lower Court Relating to Design Patent No. 51,043 (Rec. 29 et seq.).

DESIGN PATENTS.

One of these patents covers a casing of the precise form illustrated in the mechanical patent just considered, and the other a casing similar in form, exclusive of the wide annular flange. There could be, and of course is, no claim for size, color or material, nor, as I understand, does the patent extend to the supporting standard or pedestal, which is of the common telephone type. The patented designs, therefore, relate to the reflector and the protective devices, viewed, of course, in connection with the attendant heater element.

The first design, the one with the wide annular flange (No. 51,043), is not thought to be infringed by the defendant's devices. They are neither reproductions nor colorable imitations. True, there are points of resemblance; so there are also points of resemblance between these devices and the common telephone and electric fan. In all reflectors, whether for headlights or heaters, there are similarities of appearance. So common is a concavo-convex reflector that the word reflector alone immediately suggests such a device. But taking the heaters as a whole and excluding from consideration slight differences of detail, there are two important differentiating features: Whatever may be said in support of the view that the turned-over edges of the defendant's reflectors are the functional equivalents of

the broad annular flange in the plaintiff's heater, clearly in so far as affects appearance they are wholly dissimilar, and the broad flange is a conspicuous differentiating feature of the plaintiff's design. So of the heater element. As shown by the testimony of one of the plaintiff's witnesses, who first observed the Westinghouse heater upon passing a show-window where it was displayed, this is an outstanding feature in the appearance of the device,—the attention is arrested by it; and the incident so testified to is in accord with my own experience during the course of the trial. When it was necessary quickly to identify the plaintiff's device, grouped as it frequently was with many others in the courtroom, my eyes involuntarily sought the element as the most conspicuous distinguishing mark. If, therefore, we consider the entire assemblage—the reflector, the protective members, and the element—as the design, there is substantial dissimilarity in appearance.

But in the second place, in so far as they are alike, the plaintiff's casings, as well as those of the defendants, are entirely devoid of purely ornamental features, either of form or drapery; they are nude utilities. That, of course, is not to say that they are without comeliness. By reason of their simplicity and symmetry and the "glow", they may be pleasing to the eye; but the point is that they are bare mechanisms, no parts or lines of which can be dispensed with or substantially altered without impairing their utility, and one cannot, under cover of a design patent, debar others from employing the mechanical means necessary to give effect to a known and useful mechanical principle, how-

ever pleasing to the eye such requisite mechanism may be.

In the third place, unless limited to the precise form illustrated in the drawing, the plaintiff's design is anticipated in prior patents, to some of which reference has already been made, and, in view of the prior art, is without invention. * * *

As bearing upon the question of invention in either the mechanical or the design patents, or both, plaintiff puts great stress upon the fact that following the placing on the market of its No. 7 heater (the device with the broad annular flange), there was an increased demand and it soon went into general use, but while the fact is to be recognized as having weight, I have not deemed it sufficient, under all of the circumstances, to overcome the considerations hereinbefore stated. From the record it is manifest that in the period of four or five years immediately preceding the Brown patents there had come to be an unusual and widespread interest in the matter of electric heating. The invention of nichrome wire solved the problem of a dependable and efficient element, but the right to its use was involved in litigation, which was not finally concluded until about the time of the Brown patents. With this question out of the way, heaters began to be put on the market in increasing numbers, and doubtless by means of advertising and the arts of the salesmanship, the desire for such heaters was greatly stimulated. In this work the plaintiff was active, but undoubtedly it was to some extent also the beneficiary of the activities of its competitors. It may be conceded that its No. 7 heater

was in some degree more efficient than its earlier devices, and was more attractive in appearance, but, as already pointed out, its attractiveness was due not so much to slight changes in form as to increase in size and more particularly a substitution of the warm copper bowl with suitable trim in the place of the nickel type of heater. Furthermore, in the changes of social and housing conditions and in the rapidly growing tendency to use electrical energy for divers purposes in the home, may doubtless be found contributing causes for the increased demand. But whatever may be the full explanation, such popularity as heater No. 7 may have had and may now have cannot reasonably be attributed merely to the slight change in the contour of the reflector or the addition of the broad annular flange, or to both of these changes.

It is urged that in a measure the present design suits are ruled by the judgments recently procured by the plaintiff in this court against other parties, in actions at law for infringement of the same patents. The causes were tried with a jury, resulting in nominal verdicts for the plaintiff, and while they were pending upon writ of error in the Circuit Court of Appeals the parties made some adjustment, the nature of which is not disclosed, and accordingly, by agreement, the writs were dismissed. Just what effect should be given to the judgments under such circumstances is not entirely clear. It is, of course, not contended that they constitute a judicial estoppel. The judge who presided at the trial, it is true, must have entertained the view that the evidence was sufficient to go to the jury, but

there is nothing in the records to indicate what his conclusion would have been had he been called upon independently to decide the entire issue. I find no difficulty in accepting his views of the law as set forth in his charge; but while it is to be conceded that uniformity of decision in the same tribunal is highly desirable, and to that end, in the case of a doubtful issue, one judicial agency may with propriety defer to a precedent established by another of the same dignity, I am unable to say that here I entertain such doubt as would warrant me in subordinating my own judgment to that of the jury in the other cases, even if it be assumed that the evidence is substantially the same.

There being no controversy touching such general principles of patent law as are involved, I have thought it unnecessary to add to the length of the opinion by stating them. Nor would it serve any useful purpose to review the cited cases. Altogether, they are of course, helpful, but no single one can be regarded as a controlling or even highly persuasive precedent upon the real issue, which is comparatively narrow, and more largely one of fact than of law.

For the reasons stated, the bills must be dismissed, and such will be the decree in each case, with costs.

(Endorsed): Filed October 4, 1920.

Walter B. Maling, Clerk.

No. 3616

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant,

VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY (a corporation),

Appellee.

BRIEF FOR APPELLEE.

WESLEY G. CARR,
DAVID L. LEVY,
WALTER SHELTON,
Solicitors for Appellee.

FILED

INDEX

	Page
Subject Matter.....	1
Requisites of a Design Patent.....	2
General Prior Art.....	11
Prior Patents, Publications and Devices.....	13
Alleged Failure and Abandonment of Early Devices....	25
No Exclusive Right Because of Commercial Activity....	26
Right to Use Nickel-Chromium Wire.....	29
No Infringement.....	30
Infringement Test.....	35
Prior Litigation.....	39
Plaintiff's Position Uncertain as to Scope of Patent in Suit.....	39
Infringement Dependent Upon Validity and Scope.....	40
Conclusion	43
Suggested Mistrial.....	44

No. 3616

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY (a corporation),

Appellee.

BRIEF FOR APPELLEE.

This is an appeal in a patent infringement suit in which the appellant was the plaintiff in the lower court.

For convenience, the parties will be referred to here as the plaintiff and the defendant.

SUBJECT MATTER.

The basis of this suit is design letters patent No. 51,043, granted to the plaintiff-appellant upon an application filed by Edmund N. Brown and purporting to cover a design for an electric heater casing.

The device shown and claimed in the patent in suit is that which constitutes the subject-matter of the Brown utility patent No. 1,245,084, infringement of claim 1 of which is alleged in a companion suit, between the same parties, bearing No. 3617 in this Court, and embodies, as essential elements, a heating unit, a concavo-convex reflector, a wire guard or cage, a supporting stand and a reflector casing having a protective flange; all having such structural characteristics and co-operative relations *as are dictated by functional considerations*.

Judge Dietrich held, principally, that design patent No. 51043 was not infringed by defendant's device, but, in so doing, he expressed grave doubt as to the propriety of the grant of the patent, in view of the fact that the structure shown was, in his opinion, devoid of purely ornamental features. This position is in full accord with the law and authorities, as will be shown by the following review of decisions.

REQUISITES OF A DESIGN PATENT.

Section 4929 of the Revised Statutes of the United States, under the provisions of which design patents are granted, provides that a patent may be granted to anyone who has invented a new, original and ornamental design for an article of manufacture. It follows, as a matter of course, that any design for an article of manufacture which lacks any one of the elements specified in the Statute is unpatentable. In other words, the design must embody invention. This is not only a requirement

of the Statute but it has been emphasized by the Courts in construing many design patents, for example,

“The law applicable to design patents does not materially differ from that in cases of mechanical patents, and all the regulations and provisions which apply to the obtaining or protection of patents for inventions or discoveries * * * shall apply to patents for designs. * * * To entitle a party to the benefit of the act, in either case, there must be originality, and the exercise of the inventive faculty. In the one, there must be novelty and utility; in the other originality and beauty. Mere mechanical skill is insufficient. There must be something akin to genius—an effort of the brain as well as the hand.” (*Smith et al. vs. Whitman Saddle Company*, 148 U. S. 675.)

“The same general principles of construction extend to both. To entitle a party to the benefit of the act, in either case there must be originality and the exercise of the inventive faculty. In the one, there must be novelty and utility; in the other, originality and beauty. Mere mechanical skill is insufficient. There must be something akin to genius—an effort of the brain as well as the hand.” (*Frank Northrup et al. vs. Samuel Adams*, 2 Banning & Arden 567.)

“The difference in the curve at the bottom is one which would suggest itself to any workman and does not involve that exercise of the inventive genius which is as necessary to support a design patent as a mechanical patent.” (*Westinghouse Electric & Manufacturing Company v. Triumph Electric Company*, 97 Fed. Rep. 99.)

“It is, of course, extremely difficult to clearly mark the line at which symmetry and attractiveness cease to be mere matters of good taste and become touched with a spark of inventive genius. Indeed,

a glance at the decisions which have sustained design patents seems to suggest that there may be often more inventive genius displayed by the court in finding invention in design patents than the inventor disclosed in placing it there. However, the statute means something, and when this is comprehended it is the duty of the courts to give it effect."

* * * * *

"Neither that decision (Smith et al. vs. Whitman Saddle Company, 148 U. S. 675) nor the statute have, however, been modified as to the significance of the term 'invention', used in both, and it may be assumed that, notwithstanding the construction which appellant claims the courts have later placed upon them, that term has not become meaningless, and must yet be deemed the main feature to be taken into consideration in determining the validity of a design patent." (*Charles Boldt Co. v. Turner Bros. Co.*, 199 F. R. 139.)

"The question in the case at bar is not whether a design patent can be sustained, although each separate element in the design may be old, but it is whether what has been done in assembling the old elements in the new designs rose in these particular cases to the level of invention. * * * To sustain a design patent the design must involve something more than mere mechanical skill. There must be invention." (*Steffens et al. v. Steiner et al.*, 232 F. R., Page 862.)

"Mere change in construction, displaying no originality and no added beauty, cannot be the subject of a design patent." (*R. E. Dietz Co. v. Burr & Starkweather Co.*, 243 F. R., Page 592.)

"the test for invention is to be considered the same for designs as for mechanical patents; i. e., was the new combination within the range of the ordinary routine designer?" (*Strause Gas and Iron Co. v. William M. Crane Co.*, 235 F. R. Page 126.)

See also *Foster v. Crossin et al.*, 44 F. R. 62, *Perry vs. Hoskins*, 111 F. R. 1002 and *Charles Boldt Co. vs. Nivison-Weiskopf Co.*, 194 F. R. 871.

Furthermore, the presence of invention is not in and of itself sufficient because one may have invented what he believes to be a new design and, so far as his knowledge, at the time of exercising his inventive ability, is concerned, he believes himself to be an original inventor; but, if it subsequently appears that the same design was previously disclosed in patents or printed publications or embodied in devices publicly sold and used, the Statute requirements of novelty and originality are lacking.

Furthermore, a design may be a product of invention, may be new and may be original but, if it is not ornamental, it lacks one of the important characteristics made necessary by the Statute. This requirement of the Statute has also been emphasized repeatedly by the Courts and, in this connection, attention is invited specifically to the following rulings:

“The statute (Rev. St. 4929 (U. S. Comp. St. 1901, p. 3398), as amended by Act May 9, 1902, c. 783, 32 Stat. 193 (U. S. Comp. St. Supp. 1911, p. 1457)), authorizes the issue of such a patent under certain conditions to ‘any person who has invented any new, original and ornamental design for an article of manufacture’. Hence, it appears that a valid design patent demands, as has uniformly been held, an exercise of the inventive faculty the same as a mechanical patent. The design, however, thus invented must be not only new and original, but ornamental. It must exhibit something which appeals to the aesthetic faculty of the observer. *Rowe v. Blodgett & Clapp Co.* 112 Fed. 61, 50 C. C. A.

120; *Williams Calk Co. v. Kemmerer*, 145 Fed. 928, 76 C. C. A. 466. A valid design patent does not necessarily result from photographing a manufactured article and filing a reproduction of such photograph properly certified in the patent office.” (*Rose Mfg. Co. v. E. A. Whitehouse Mfg. Co. et al.* 201 F. R. 926.)

“It is a reasonable conclusion that a device, in order to justify the granting of a design patent, must be such as to satisfy a person of ordinary judgment and good eyesight that it is ornamental, entirely independent of the character of the article to which it is applied. It is not enough that it should present in an unobtrusive form some utility that might otherwise be clothed in less endurable garb. It must disclose inventive genius—a creation which transcends the mere attractiveness almost universally availed of by dealers in every line of trade. That every symmetrical article should be made the subject of a design patent seems unconscionable. Patent monopolies are granted for the purpose of encouraging men of genius to place their mental powers at the service of the public without sacrifice. If every one who makes a graceful adaptation of a utility to the purposes for which it is endured at all can secure a monopoly thereby, one may soon be afraid to twist a wire or whittle a stick, lest he infringe.” (*Bolte & Weyer Co. v. Knight Light Co.*, 180 Fed. Rep. Page 412.)

“A design patent is addressed to the eye, and is to be judged by its ability to please. *Rowe v. Blodgett & Clapp Co.* (C. C.) 103 Fed. 873. *There may be no objection to the article to which it relates being useful as well as ornamental, but the attempt to patent a mechanical function, under cover of a design, is a perversion of the privilege given by the statute.* *Rowe v. Blodgett & Clapp Co.*, 112 Fed. 61, 50 C. C. A. 120; *Marvel Co. v. Pearl* (C. C.) 114

Fed. 946; *Eaton v. Lewis* (C. C.) 115 Fed. 635." (*Weisgerber v. Clowney*, 131 Fed. Rep. 477.) (Italics ours.)

"To successfully establish the validity of the design patent, and to entitle the inventor to protection, he must establish a result obtained, which indicates, not only that the design is new, but that it is beautiful and attractive. It must involve something more than mere mechanical skill. There must be invention of design. The District Judge concluded that the screwdriver is beautiful and attractive, and he says, even ornamental. We cannot, however, agree that the appellee's structure, made pursuant to this patent, has such a pleasing effect imparted to the eye, as to create beauty or attractiveness, or to make it ornamental. It provides for a new utility. Design patents refer to appearance. Their object is to encourage works of art and decorations which appeal to the aesthetic emotions—to the beautiful. We do not think that the device constructed by the appellee has a subject matter for such beauty and attractiveness as is contemplated by the statutes which permit the patent office to grant design patents, and conclude that the learned District Judge erroneously sustained the Patent" (*H. D. Smith & Co. vs. Peck, Stow & Wilcox Co.* 262 F. R. 415.)

In view of the above decisions, we contend that the design patent constituting the subject matter of this suit is invalid because every element of the device embodying the design is there for a useful or functional purpose, and the elements are so shaped and arranged as to insure a maximum degree of utility for the structure as a whole. The evidence in the case is conclusive on this point, but, if anything additional were needed, the teachings of the utility patent No. 1,245,084 granted to the same inventor and constituting the subject matter

of the companion suit No. 3617 is amply sufficient to meet this requirement.

The patentability of a design for article of manufacture should be dependent, provided the design is new, upon whether the change in, or addition to, previously existing designs carries with it an improved or a different function, or, on the other hand, whether change in, or addition to, previously existing designs changes the appearance in an ornamental fashion without changing or destroying the function previously performed. For example, such articles as china plates, cups, saucers, forks and spoons, silver, glass and china pitchers, tumblers, bowls, platters, etc. are susceptible of a considerable variety of patentable designs, as regards both form and surface ornamentation, but, in the majority of cases, such changes in form or surface ornamentation do not add to or detract from the functional possibilities, inasmuch as the articles are utilizable as tableware in the same manner and to hold articles of food and drink with the same efficiency, whether the design is of one type or kind or another.

In the present case, every element of the heater serves a specific function and such elements are all combined to co-operate in the performance of a joint function, and to remove or materially alter any one of the elements takes away just so much of the function which was previously performed and, to this extent, makes the device of less utility.

We do not contend that a utility device may not embody a patentable design, but, in the case of the patent

in suit, there is no purely ornamental feature, and the form of the device, as a whole, and that of its individual elements are such as are dictated, not by decorative or ornamental considerations, but for utility reasons.

It is not contended here that the patented design is devoid of ornamental quality, in the sense that it is repulsive in appearance, but it is contended that the device is not sold and is not used as an ornament. The purchaser selects and purchases the device solely because of what it will do. (See testimony of the witness Wentworth, page 95 of the record, to the effect that, in purchasing a heater, he was seeking heat only.) In other words, the device is purely a device of utility and all of its parts function, both collectively and individually, as utility elements. (See *Weisgerber v. Clowney*, *supra*, and *Roberts v. Bennett*, 136 F. R. 193.)

It was presumably intended by the framers of Section 4929 to provide for the granting of patents upon designs for articles of manufacture that are useful but, in order that such designs may be patentable, they must impart something more to the articles of manufacture which embody them or to which they are affixed than mere functional qualities or characteristics.

The purchaser of a rug, a carpet, a roll of wall paper or a lighting fixture unquestionably purchases it because it has utility and is needed to perform a useful function but the particular article purchased is usually selected because the design which it bears appeals to the purchaser as ornamental.

The design is something additional to and, in a sense, apart from the functional qualities. For example, two rugs or two carpets may be of uniform quality, so far as their floor-covering function and resistance to wear are concerned, but the purchaser selects the rug or the carpet having the design which appeals to him as the more ornamental. The same is true of wall papers, lighting fixtures, etc.

While the purchaser of an electric heater may not be entirely indifferent to its appearance, it is not selected and purchased because of its ornamental characteristics.

It would be a person of extraordinary taste who would select and purchase a heater like that shown in the patent in suit solely because of its decorative value.

The facts in the case at bar are very nearly on all fours with those of *Ferd Messmer Mfg. Co. v. Albert Pick & Co. et al*, 251 F. R. 894, in that a utility patent and a design patent covering a single structure were in suit, and the feature of the patented device for which novelty was claimed was embodied therein because of its functional utility. With reference to the design patent, the court said:

“So far as the question of double patenting is concerned, we do not think it can arise in this case, for the reason that we are of the opinion that the design patent is not valid. The bulge in the patented glass cannot be said to be ornamental within the meaning of section 4929 of the Revised Statutes (Comp. St. 1916, 9475). There is nothing in the bulge of the patented glass which would appeal to the esthetic emotions or to our idea of the beautiful. While the bulge may be new and useful, we cannot say that it has added anything to decorative art.”

Counsel for plaintiff construes a certain statement * made by Judge Dietrich in his opinion to mean that the design of an article of manufacture, in order to be patentable, must embody surface ornamentation. The court made no such ruling. What the Judge said was that the devices "are entirely devoid of purely ornamental features, either of form or drapery". The term "drapery" may perhaps be construed to mean what counsel for plaintiff alleges, but the word "form" has quite a different meaning and merely indicates that Judge Dietrich had in mind the recognized scope of Section 4929 as extending to designs for articles of manufacture which have ornamental novelty of form or configuration as well as ornamental novelty of surface ornamentation. There was clearly no misconception of the law in the ruling made by Judge Dietrich.

We contend further that the design patent in suit is invalid for lack of novelty on account of the prior state of the art. Before taking up the specific prior-art devices, a general review of the art may be profitable.

GENERAL PRIOR ART.

The art of generating radiant energy and reflecting it in a beam of rays having some approximation to parallelism is very old, it being a matter of common knowledge that searchlights, railway-locomotive headlights and automobile headlights have for many years utilized this principle of beam reflection to project radiant energy along a single path or upon a single person or

object or upon a relatively small group of persons or objects.

The general art of generation and projection of radiant energy is further exemplified by so-called flood-lighting which consists in projecting a beam of reflected light upon an object or a relatively small space which is to be illuminated, and this branch of the art, which has been practiced for a considerable number of years, culminated in the extraordinarily successful illumination of the buildings of the Panama-Pacific Exposition in San Francisco in 1915.

Although the reflection of radiant energy in the relations and by the means just mentioned was practiced for the purpose of illumination, the laws of operation were the same as those governing and controlling the radiation and projection of energy rays for the purpose of heating a circumscribed space or a definite object and, as stated by defendant's witness, Beam, the commercial production of light without the attendant production of heat has never been accomplished. (pp. 71 and 72 Rec.)

The projection of reflected radiant energy in a beam for the illumination of an object or a defined space by a searchlight; a similar illumination of a defined and limited path by a locomotive or automobile headlight, and the projection of reflected energy rays in a beam to heat a person or an object are all effected by combustion or by electrical resistance and a concavo-convex reflector. Devices pertaining to the particular branch of the art represented by the patent in suit are characterized by portability, which obviously demands

devices of compact form and light weight in order that they may be moved from place to place in an office or a room of a residence and may be readily transported from one office to another or from one room or residence to another and be so designed and constructed as to be utilizable in electrical systems of distribution the primary purpose of which is illumination.

By reason of the necessity for portability and utilization by connection to electric-lamp sockets, these devices necessarily embody, as heating units, electrical conductors of high resistance and concavo-convex reflectors located adjacent to the heating units to reflect the heat rays in a single direction, and preferably embody protective wire guards of some convenient form to prevent accidental contact with the heating units.

Electrical heaters having the essential elements and characteristics just mentioned are disclosed in defendant's exhibits E, F, G, H, I, 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12 and British patent 19,971 of 1913, and are exemplified in defendant's exhibits A, B, C, D and M.

We now request consideration of these exhibits, as embodying elements and principles above set forth and also such additional features as are shown in the patent in suit.

PRIOR PATENTS, PUBLICATIONS AND DEVICES.

The Morse patent No. 881,017, granted March 3, 1908 (defendant's exhibit F), discloses a concavo-con-

vex reflector, a heating unit supported in operative relation to the reflector, a pad or rim on the edge of the reflector and a protective cage in the form of a screen of coarse wire mesh or similar construction.

It is apparent that the Morse patent, although disclosing no supporting stand and embodying a heating element enclosed in a vacuum instead of being exposed to the air, discloses a structure which serves to refute any claim made by the plaintiff to the effect that the patented design is something broadly new in the art, or that there was anything new in the idea of projecting a beam of heat.

The heater shown in the Geiger patent No. 1194168 (defendant's exhibit G), and represented by defendant's exhibit M, embodies a concavo-convex reflector, two heating units so located with reference to the reflector that the heat generated by them is reflected in one direction only. In other words, the Geiger device, of which large numbers were marketed by the defendant, in the days before nickel-chronium or other oxidization-resisting wire was available, is a portable electric heater having a polished reflector to project the generated heat in a single direction to heat a single object or person, or a small group of objects or persons, and, in addition, is strikingly ornamental.

A radiant electric heater, called the "Ferranti Fire" is described in defendant's exhibit No. 1, a portion of the description being as follows:

"A circular bowl of polished copper which concentrates and reflects the heat rays. Like the Bastian heater, the greater part of the energy is given

out as convected heat, but there is considerable radiant energy, and owing to the reflecting properties of the bowl this can be distinctly felt at a distance of many feet. It has much the appearance of a red-hot fire, hence its name, and its effect is much the same."

The heating unit is described as

"A closely wound spiral disk of nichrome or similar tape, interleaved with mica (a modified variety of the old Ferranti winding), and held in close contact with a circular plate of quartz glass six inches in diameter."

This device, therefore, comprises a concavo-convex reflector and a heating unit which bears a relation to the reflector which corresponds substantially to the relation of the heating unit to the reflector of the patent in suit.

It is further stated that "It would be an obvious improvement to protect the disk by a suitable form of guard".

The Ferranti Fire is described also in defendant's exhibit No. 2, a portion of the description being as follows:

"A new style of electric heater has lately been introduced in which a circular plate of quartz glass is caused to glow at a bright red by contact with a spiral resistance unit in front of which it is clamped. By means of a bowl-shaped copper reflector surrounding the heating surface, and carried on trunnions, the heat rays can be focussed in any desired direction."

and, further,

"It would be a simple matter to protect the heated disc by the use of a guard of expanded

metal or a wire netting with large mesh. Neither method need detract from the appearance of the heater nor reduce its efficiency, and both could be made detachable so that the disc could be used for water boiling as at present. The guard could be clipped round the flange which surrounds the quartz disc, *or it could be secured to the outer edge of the copper reflecting bowl.*'' (Italics ours.)

Defendant's exhibit No. 4 illustrates and describes the Ferranti Fire. Attention is specifically directed to a portion of the descriptive matter as follows:

"It will be seen that the heating element is mounted in the centre of a polished brass or copper reflector, which, being supported on bearings, is capable of rotation through 180 degrees."

and, further,

"An ornamental ring, seen in Fig. 184 covers the joint between the element and the reflector, and secures a wire guard when necessary."

In defendant's exhibit No. 11 appears a further description of the Ferranti Electric Fires in which reference is made to the large reflecting bowl, the color scheme of which gives an appearance of warmth, etc.

In defendant's exhibit No. 12 is illustrated an example of the Ferranti Electric Fire, as to which no specific mention is necessary except to call attention to the smaller figures of the cut.

Defendant's exhibit No. 3 embodies a cut of a device for generating and reflecting radiant energy that is primarily intended for lighting purposes. The device embodies, however, a concavo-convex reflector having a rim or bead around its edge to which is attached a

wire protective cage corresponding substantially to that of the patent in suit and having a heat and light-generating unit located in front of the reflector.

Defendant's exhibits Nos. 5 and 7 illustrate and describe a so-called "Calor" electric fire comprising an electric heating unit and a reflector of bowl-shape which has a flat peripheral flange projecting from its edge.

Attention is particularly directed to the cut of exhibit No. 7 designated as Fig. 3—Pedestal Type "Calor Fire", especially as illustrating a device that embodies an electric heating unit, a concavo-convex reflector having an annular member extending outwardly from its margin and a supporting stand of the desk telephone type.

Defendant's exhibit No. 6 illustrates and describes a so-called "Redglo" fire embodying an electrical heating unit, and a bowl-shaped reflector having a supporting stand and a peripheral flange extending outwardly from the edge of the curved portion of the reflector.

Defendant's exhibits Nos. 8 and 9 and British patent No. 19,971 of 1913 illustrate and describe a radiant or beam heater manufactured by Simplex Conduits, Limited, of London, and designated as the "Plexsim" electric fire.

It will be noted that the Plexsim heater is illustrated and described definitely and distinctly as a beam heater in which the heat is generated by a cylindrical coil of

wire and is reflected from a polished copper surface in approximately straight lines, as a beam.

In defendant's exhibit No. 10 is illustrated and described an electric heater called "The 'D. G.' Bowl Electric Fire" and comprising a heating unit and a reflecting copper bowl having a relatively wide flat marginal rim and a wire cage for preventing accidental contact with the heating unit. In the descriptive portion of the exhibit appears this statement:

"Around the circular element is a bowl reflector of solid copper, accidental contact with the glowing coils being prevented by a light grid of stout wire."

Defendant's exhibit 14 discloses a device the reflector and supporting stand of which closely resemble the reflector and stand of the patent in suit. Although the device shown in this exhibit is not a heater and has no casing provided with a marginal flange, it is intended to reflect energy rays.

The device illustrated in each of Figs. 14 and 17 of defendant's exhibit 15 embodies light and heat-generating units, a concavo-convex reflector and a protective cage the ends of the wires of which are fastened to the rim of the reflector.

Defendant's exhibit No. 16 contains a cut of one of plaintiff's No. 2 heaters, defendant's exhibit B being one of these heaters.

The Shoenberg patent (defendant's exhibit I), under which plaintiff operates, comprises a concavo-convex reflector, a heating unit of the same type and form as

that of the patent in suit and supported as nearly at the focus of the reflector as is the unit of the patent in suit; the reflector is supported within, and spaced from, a protective casing which has a projecting flange or rim, and guard wires are provided the ends of which are attached to the flange or rim of the protective casing (Fig. 10).

With reference to the reflector, the specification of the Shoenberg patent states (p. 1, lines 48 to 53):

“The reflector consists preferably of a highly polished metal shell 1, which is somewhat hemispherical or dome-shaped and serves to reflect the heat waves received from the heater and direct them outwardly from its inner concave surface.”

The specification states further (p. 2, lines 9 to 17):

“The coil of the heating element is made of bare wire of high resistance which becomes very hot and I therefore provide guard wires 14, which cross and have their ends secured in apertures in the rim of the reflector. These guard wires serve not only to prevent any inconvenience by accidental contact with the hot wires, but also to protect the heater unit from injury.”

There is no escape from the conclusion that the Shoenberg patent discloses every element of the patent in suit, combined and operating in the same manner and to perform substantially the same functions, the only differences being that the reflector of the Shoenberg patent is not exactly reproduced in the patent in suit, and the peripheral rims or flanges of the protective casings are not exact duplicates. Nevertheless, the reflector of the Shoenberg patent is concavo-convex,

the heating unit is supported in the same relation to the reflector as in the patent in suit, the rim or flange extends outwardly from the margin of the reflector and the ends of the guard wires of the protective cage are attached to the rim or flange of the casing, as will be seen by reference to Fig. 10 of the drawings of the patent.

In Fig. 2 of the drawings of the Shoenberg patent, the reflector is shown as provided with a flange or annular member having the same location and general relations as the flange of the patent in suit except that the forwardly-projecting portion or rim is wider than the portion projecting laterally, whereas, in the patent in suit, the laterally-projecting portion is materially wider than the forwardly-projecting portion at its outer edge.

The protective cage of the patent in suit obviously differs from that of the Shoenberg patent in comprising a relatively large number of arched guard wires, but plaintiff is barred from any benefit in this regard because exactly this form of protective cage is embodied in each of its prior heaters 1, 2, 2B and 3, represented by defendant's exhibits A, B, C, D and E.

If any patentable novelty attaches to the protective device of the patent in suit, which defendant does not admit, *it must reside in the specific form and dimensions of the annular flange or rim* inasmuch as the protective casing is found in the Warner patent No. 1,120,003 and a protective pad or rim 2 is disclosed in the Morse patent No. 881,017.

It would be a more than liberal grant of credit as an inventor to accord to the patentee Brown the right to exclude others from the use of a protective annular flange, in view of the structure of the Morse patent and that of the Shoenberg patent, that of the "Calor" fire device illustrated in defendant's exhibits 5 and 7 and that of the "Redglo" device illustrated in defendant's exhibit 6.

It will be noted that plaintiff's earlier heaters, represented by defendant's exhibits A, B, C, D and E, embody elements the same in number, form and location as those shown and described in the patent in suit, namely, a supporting base and standard, a concavo-convex reflector, an electrical-resistance coil of tubular form, mounted upon an insulating tube and disposed transversely to the axis of the reflector and in front of it and a wire guard or cage disposed in front of the heater and reflector for the purpose of protecting the user or anyone in proximity to the device from becoming burned by contact with the heater element or with the heated reflecting surface.

It will be noted further that the Warner patent No. 1,120,003, a copy of which constitutes defendant's exhibit H, discloses a radiant electric heater embodying a concavo-convex reflector, a heating unit and a protective wire cage, all supported upon a stand of the familiar desk-telephone type.

Although the reflector of the Plexsim device disclosed in defendant's exhibits 8 and 9 and in British patent No. 19,971 of 1913 is not shown as provided with

an annular flange, the structure has all of the other elements of the patent in suit and, in the illustration of exhibit No. 9, the protective cage is similar to, though not exactly like, that of the patent in suit.

Defendant's exhibit J was made in conformity to the illustration of exhibit No. 9 except that its reflector was parabolically curved and provided with a smooth reflecting surface, in accordance with the disclosure of British patent No. 19,971 of 1913, a certified copy of which is in evidence.

It will be noted that, in lines 20 and 21 of page 2 of the specification of the British patent No. 19,971, it is stated that the reflector may be "the frustum of a cone, or of parabolic configuration" and that in lines 25 to 29, page 3, it is stated

"We have found that a diameter at the large end approximately equal to the depth of the cone gives good results, but the cone angle may be greater or less than that so indicated, or the reflector may be, in longitudinal section, in whole or in part of parabolic or the like contour, according to the form desired for the emergent beam of rays."

Judge Dietrich made reference to Kempton British patent No. 12,320 of 1848 as disclosing a parabolic reflector for heating purposes, gas jets being disposed in proper relation to such reflector in order that the heat produced by the burning gas might be thrown forward in a beam.

Counsel for plaintiff objects to any consideration of the British patent just mentioned because it was not

formally offered in evidence in any of the three cases now on appeal in this court. This objection by counsel for plaintiff is purely technical, inasmuch as the three suits against the Westinghouse Electric & Manufacturing Company and a suit against Holbrook, Merrill & Stetson were tried consecutively and were all argued together.

Inasmuch as Judge Dietrich prepared a single opinion for the four cases just mentioned, he naturally and properly made use of the exhibits without attempting to differentiate as to the specific cases in which they may have been formally offered in evidence. By so doing, he made the Kempton British patent a part of the instant case and this court cannot properly ignore it, provided it is deemed of material value, any more than it can ignore a matter of such common knowledge as to be properly subject to judicial notice, even though not represented by any exhibit or testimony or specifically presented by counsel for consideration of the court. In any event, this patent is neither vital nor essential to a decision on the validity or scope of the patent in suit.

Counsel for plaintiff alleges in his brief that the judge of the lower court ruled that the patent in suit is valid. This, we deny. The judge found there was no infringement and, therefore, apparently held that it would be a superfluous matter, and one with which he had no concern, to go further and rule specifically that the patent was invalid *because of anticipation*.

In view of the prior Majestic devices (exemplified by defendant's exhibits B, C and D), the illustrations and descriptions of the Ferranti, Redglo, Calor and Plexsim devices (shown and described in defendant's exhibits Nos. 1, 2, 4, 5, 6, 7, 8, 9, 11 and 12), the Morse patent (defendant's exhibit F); the Warner patent (defendant's exhibit H); the Shoenberg patent (defendant's exhibit I), and the Porter patent (defendant's exhibit N), the design of the patent in suit embodies no novel element.

It is true that no one of the defendant's exhibits discloses all of the features of the patented design having the same co-operative relation as is there set forth, but the Majestic No. 2 heater (defendant's exhibit B) embodies every such element and constitutes a complete anticipation except for the casing and its broad marginal flange surrounding the reflector. Therefore, no one infringes or can infringe the patent in suit who utilizes the elements of the Majestic No. 2 heater, in the combination and relations which they have in that heater, provided he omits the only added feature which makes the design of the patent in suit, in any sense, manner or degree, new; namely, the protective casing having the broad marginal flange.

It must be clearly borne in mind that the patent in suit is limited to what is there shown, and such illustration does not include any copper-colored reflector. So far as the reflector is concerned, it may be white, black, green or any other color, and still embody the design of the patent in suit as effectively and as surely as does the polished copper reflector of the No. 7 heater.

The actual features of the plaintiff's No. 7 heater which serve to distinguish it from the prior heaters (Nos. 2, 2B and 3) manufactured and sold by the plaintiff are:

1. Size, which the plaintiff admits is immaterial and cannot affect the patentability of the design or its infringement.
2. The color, which is no part of the patented design, but is the striking feature of the device itself, as manufactured and sold, and serves, more than anything else, to impress an observer giving such attention as one ordinarily gives to such devices.

The relatively large reflecting bowl of burnished copper is not only pleasing in appearance, because of its color, but it gives to the observer a visible impression of warmth to supplement the heat actually imparted by the reflected rays of energy.

ALLEGED FAILURE AND ABANDONMENT OF EARLY DEVICES.

The brief for plaintiff characterizes the Majestic heaters 1, 2, 3, 1b, 2b and 3b, four of which are exemplified in defendant's exhibits A, B, C and D and three of which are illustrated in the photograph of the Majestic Company exhibit at the Panama-Pacific Exposition, constituting defendant's exhibit E, as unsuccessful experiments and as failures. There is no evidence in the record in support of such characterizations, and, in fact, the evidence discredits and disproves them.

The devices which were manufactured and sold extensively over a considerable period of time and exhibited at the Panama-Pacific Exposition as commercial products were not experiments and cannot be construed to be such, and there is no item of evidence in the record to the effect that the devices in question were unsuccessful or were failures.

The only sense in which abandonment enters into the case, so far as the devices in question are concerned, is in the sense that manufacture of these earlier devices was discontinued after manufacture of the No. 7 device was begun.

Public sale or use of an invention forever debars another subsequent inventor from securing a valid patent thereon, and no valid patent can be issued upon an application filed by the original and first inventor more than two years after public sale or use occurs.

It is immaterial that heaters Nos. 1, 2, 2B and 3 were manufactured and sold by the plaintiff, instead of by some other party, inasmuch as the patent in suit covers an alleged invention made by one Edmund N. Brown, who had no connection with, or relation to, the design of the said heaters Nos. 1, 2, 2B and 3, these having been manufactured and sold under Shoenberg patent No. 1109551.

NO EXCLUSIVE RIGHT BECAUSE OF COMMERCIAL ACTIVITY.

The vigorous and persistent attempt by the plaintiff to establish an exclusive right to the commercial field occupied by radiant electric heaters of the beam

type by way of evidence as to the period and extent of its own commercial exploitation of its No. 7 heaters is unwarranted because based upon the fictitious assumption that the commercial success attendant upon the manufacture and sale of No. 7 heaters was due to the novelty and efficiency of that device and the further fictitious assumption that competitors of the plaintiff entered the field because of the popularity achieved by the No. 7 heater.

If any claim for patentable novelty is to be based upon evidence of large sales, relationship of invention to volume of sales must rest upon something more tangible than conjecture. The courts are rarely willing to accept evidence of commercial popularity as evidence of invention and will never do so unless the question of invention is one of grave doubt.

On this point, the Supreme Court said, in *McClain v. Ortmyer*, 141 U. S., 419

“That the extent to which a patented device has gone into use is an unsafe criterion, even of its actual utility, is evident from the fact that the general introduction of manufactured articles is as often affected by extensive and judicious advertising, activity in putting the goods upon the market and large commissions to dealers, as by the intrinsic merit of the articles themselves. * * * If the generality of sales were made the test of patentability, it would result that a person, by securing a patent upon some trifling variation from previously known methods, might, by energy in pushing sales, or by superiority in finishing or decorating his goods, drive competitors out of the market, and secure a practical monopoly without in fact having made the slightest contribution of

value to the useful arts. * * * While this court has held in a number of cases * * * that in a doubtful case the fact that a patented article had gone into general use is evidence of its utility, it is not conclusive even of that; much less of its patentable novelty."

The Court affirmed this ruling in *Adams v. Bellair Stamping Co.*, 141 U. S. 539, and *Duer v. Corbin Cabinet Lock Co.*, 149 U. S. 216, and others. The District Courts and Circuit Courts of Appeals throughout the United States have made similar rulings in many reported cases, some of which have been in this Circuit, *Klein v. City of Seattle*, 77 F. R. 200; *American Sales Book Co. et al. v. Bullivant*, 117 F. R. 255, and *Hyde v. Minerals Separation, Limited, et al.*, 214 F. R. 100, being notable examples.

In view of the general recognition given by the courts to the principle enunciated by the Supreme Court in *McClain v. Ortmayer*, supra, further citations from the many published opinions appear to be unnecessary.

As a matter of fact, the commercial use of plaintiff's No. 7 heater was due to extensive advertising, both by the plaintiff and by its competitors, as shown by the testimony of the inventor, Brown, himself, in the companion case No. 3617, pages 118 and 119 of the record, and to the fact that the No. 7 heater was made larger than its predecessors, and that the reflecting bowl, being of burnished copper, was more striking and attractive in appearance.

In addition, the exploitation of the No. 7 heater was substantially coincident in point of time with the free-

ing of the plaintiff from restriction of its activities by the obtaining of a license under the Marsh patent on nickel-chromium wire, as set forth in the following paragraphs:

RIGHT TO UTILIZE NICKEL-CHROMIUM WIRE.

The record in this case shows that wire composed mainly of nickel-chromium alloy is the only available material which can be utilized to operate at an incandescent temperature in the open air without destruction or rapid deterioration, and that this material is covered by a certain Marsh patent under which all manufacturers of electrical heating devices and apparatus are operating as licensees.

Although the Nos. 1, 2, 2B and 3 heaters manufactured and exploited by the plaintiff prior to the production of its No. 7 heater embodied heating units which constituted infringements of the Marsh patent, during the period of manufacture and sale of these earlier heating devices, the Marsh patent was in process of litigation against the General Electric Company. Shortly after the termination of the litigation, which resulted in sustaining the patent, the plaintiff secured a license and, at about that time or very shortly thereafter, it began the manufacture and exploitation of its No. 7 heaters.

It is also of record that the defendant undertook the exploitation of its heater which is involved in the present suit as soon as it could do so after securing a license under the Marsh patent.

The allegation has been made that suitable material other than the so-called nichrome wire was available, and specific mention has been made of a material known to the trade as "Excello" wire. This allegation is true, so far as availability of material prior to the final decision in the suit based upon the Marsh patent is concerned, but it is without significance by reason of the fact that excello wire is a nickel-chromium alloy and is, therefore, an infringing material. (pp. 67 and 125 Rec.)

The fact that the plaintiff was willing to incur the risk incident to using nickel-chromium wire in its earlier heaters, prior to a final adjudication of the Marsh patent, may not properly be utilized as a basis for attack upon other manufacturers who did not care to incur such risk.

The substantial coincidence, in time, of the issuance of licenses under the sustained Marsh patent and the manufacture and exploitation of radiant or beam heaters by various manufacturers, including the increased exploitation by plaintiff, disposes of the contention on the part of the plaintiff that its No. 7 heaters established for it a commanding position in the field because embodying a pioneer invention.

NO INFRINGEMENT.

It has been clearly and definitely shown that, notwithstanding the contentions on the part of the plaintiff that the patent in suit is entitled to a broad interpretation of such character as is accorded to one cover-

ing a pioneer invention, the only features added by Brown to heaters Nos. 1, 2, 2B and 3 were a slight modification in the curvature of the reflector and the addition of a protective casing having an annular protective flange projecting laterally from its rim.

The supplemental protective casing is disclosed in the Warner patent, and a protective rim in the Morse patent and, also, in the Shoenberg patent.

The defendant's structure obviously embodies a concavo-convex reflector, a heating unit supported in front of said reflector and a protective cage having guard wires the ends of which are attached to the margin or rim of the reflector, but *the device has no annular member extending outwardly from the margin of the reflector.*

The designers of the defendant's heater secured all of the essential elements incorporated in the heater from the prior art which was also available to Brown when he made the alleged invention of the patent in suit.

Defendant's device is shown and described in British patent No. 19,971 of 1913, and in defendant's exhibit 9, except as regards the form of the reflector and that of the protective cage.

It will be noted that the supporting member of the defendant's device embodies a base having a frame of U-shape between the arms of which the reflector is mounted upon trunnions and that these parts correspond closely to like parts in the British patent.

It is to be noted, further, that, in the defendant's device, the heating unit comprises a supporting rod, an insulating cylinder on such rod and a coil of resistance wire disposed on the insulating cylinder, and that this unit is mounted in the axis of the reflector.

Corresponding parts, which differ only as regards the length of the unit, are disclosed in the British patent.

It is to be noted, further, that a more or less definite relation between the length of the heating unit and the depth of the reflector exists and, consequently, inasmuch as the designers of the defendant's heater elected to use a reflector of the form shown in the Warner patent (defendant's exhibit H), they necessarily utilized a heating unit the length of which conforms to the depth of the Warner reflector.

The protective cage of the British patent was rejected as less desirable than other forms known in the prior art and, consequently, substantially the form of that shown in the Porter patent No. 684,459 of October 15, 1901, (defendant's exhibit N) was adopted.

Or it may be assumed that the designers of the Westinghouse heater had knowledge of the specific cage shown in defendant's exhibit 16, which was obviously available to anyone desiring to make use of that specific form of protective cage. The device shown in exhibit No. 16 is the Majestic Company No. 2 heater, as exemplified in defendant's exhibit B, the design of which had been abandoned to the public by commer-

cial exploitation prior to the advent of plaintiff's No. 7 heater.

As has already been noted, the design of the patent in suit is characterized by a reflector casing of bowl-shape having a broad, flat, peripheral flange and supported upon a stand of the well-known desk-telephone type, a cylindrical heating unit, supported in front of the reflector, with its major axis at right angles to the axis of the reflector and a protective cage of bowl-shape composed of wires the ends of which are attached to the outer edge of the annular flange with which the reflector-bowl casing is provided. These several devices are combined to constitute an electric heater of a type generally well known in the art.

The design, as embodied in the plaintiff's No. 7 heater, does not differ from that shown in the patent in suit except in one striking particular, namely, the reflecting bowl and the face of the peripheral flange *are of burnished copper.*

Defendant's heater embodies elements the number and general co-operative relation of which are the same as in the plaintiff's heater except that *its reflector has no peripheral flange or double casing and its heating unit is disposed in the longitudinal axis of the reflector instead of at right angles thereto.*

Another striking difference between the defendant's heater and that of the patent in suit, is the supporting stand, which comprises a base and a frame of U-shape, between the upper ends of which the reflector is pivotally mounted in order that it may be tilted.

Plaintiff's counsel attempts to overcome this point of differentiation by stating that the pivotal mounting cannot be seen from the front of the heater, but, in doing so, he ignores the fact that Fig. 2 of the patent drawing is a side view showing the mounting of the casing on its pedestal and accentuating the structure from which defendant's device is distinguished by its own peculiar form of support.

The defendant's heater resembles the plaintiff's heater only because they both embody the same number of main elements or features having the same general arrangement and substantially the same color.

All human beings, if normal, have the same number and general arrangement of features and, if belonging to the same race, they have color resemblance as well but they are not often mistaken one for another because of these facts, even though the examination given is merely casual.

The possibility of mistaking the one device for the other if not placed side by side and compared, provided such possibility actually exists, is obviously due to two features, and to two features only, viz, the general form, which obtains because the function to be performed demands it, and the polished copper reflecting bowl which is not disclosed in the design patent in suit and, if it could ever have been covered by a patent, was old and in use long before the production of the patented design. (See defendant's exhibits 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12 and M and British patent No. 19,971 of 1913.)

INFRINGEMENT TEST.

Counsel for plaintiff quotes, from the well-known *Gorham vs. White* decision by the Supreme Court, the rule for determining infringement of a design as the sameness of appearance to the eye of an ordinary observer giving such attention as a purchaser usually gives, and, as to this rule we take no exception, but we do except to the application made by counsel for plaintiff in the present case.

The defendant has been engaged in the manufacture and sale of heaters like plaintiff's exhibit No. 5 since the latter part of the year 1918 or the early part of the year 1919 and, during that period, it had unquestionably sold a very large number of such heaters. Whether that number be thousands, tens of thousands or hundreds of thousands, is not of record and is not material. Whatever may have been the number of sales, the plaintiff will undoubtedly admit that such number is large. Notwithstanding such large sales as must have occurred, the only evidence for use in applying the *Gorham vs. White* rule of infringement which the plaintiff offers in this case is the testimony of two of its witnesses and that of one witness testifying under subpoena for the defendant.

In this connection, it is pertinent to examine with some degree of particularity the testimony of the witnesses just mentioned.

First. Mrs. Lebatt, a friend of Mr. Brown, President of the plaintiff company, and not a purchaser or a prospective purchaser, testified that, when walking

along the street she saw a heater on exhibition which she assumed to be one of Mr. Brown's heaters, but noted that the heating element was disposed in a manner which differed from that of the element in the heater with which she was familiar. Upon re-examining the device with more care, she noted upon it the name "Westinghouse", but, until she noticed this name, she assumed it to be one of Mr. Brown's heaters with the element changed.

Mrs. Lebatt, although not an expert in electrical heating devices, was apparently familiar with Majestic heaters and no others, although she testified that she had seen a Hotpoint heater, *which she did not mistake for a Majestic heater*. It is notable that the witness did not mistake the Hotpoint heater for a Majestic heater, inasmuch as its heating element was of the same shape and disposed in the same manner as that of the Majestic.

The witness was not deceived, but, even if she had been, the test was not fair and reasonable because the inspection given to the Westinghouse device prior to her discovery that it bore the name Westinghouse was the casual glance of a passer-by on the street, instead of an inspection such as a purchaser usually gives.

The witness Hiller is the manager of the Boesch Lamp Company, which manufactures all of the parts of plaintiff's heaters except the electrical parts, and, consequently, as a business associate of Brown and an expert, could competently testify only with refer-

ence to his experiences with purchasers, or those occupying similar relations to him.

Mr. Hiller first testified to an incident with reference to the owner of certain electrical heaters, one G. L. Wentworth, who, according to Mr. Hiller, stated, that he had one of his (Hiller's) heaters upstairs, and that, upon inspection, the heater in question proved to be a Westinghouse heater.

Mr. Wentworth, testifying for the defendant under subpoena, stated that the heater in question was purchased for him by a clerk who was given no instructions as to the kind of heater to purchase, and that when the heater was installed and thereafter until the date of the incident respecting which Hiller testified, he had paid no attention to the heater in question and had no knowledge as to who manufactured it and no interest in its source or origin.

The testimony of Hiller and Wentworth with reference to the Westinghouse heater purchased and installed for the latter and used by him has no significance in this case, because the purchaser, Wentworth, not only did not give "such attention as a purchaser usually gives", but gave no attention whatever and did not even examine the device.

The witness Hiller testifies further to the effect that he was told by an owner of two heaters in Sacramento that they were out of order and, upon inspecting them, he, Hiller, found that they were not Majestic heaters. Upon further examination, he admitted that they were

Hotpoint heaters and they, therefore, have no significance in the instant case.

Hiller testified further that, at intervals, heaters made by manufacturers other than the Majestic Company were occasionally brought to his company for repairs. He assumed, for the purpose of this case, that such heaters were brought to his company under the supposition that they were manufactured by it. We submit that an assumption having at least as much basis to support it is that those bringing or sending heaters to the Boesch Lamp Company for repair did so because that company was known to be in a line of business which would naturally and properly enable it to make repairs upon devices of this character.

This testimony falls far short of even indicating, much less establishing, such deception as proves or even indicates that the Westinghouse design is like that of the patent in suit.

Inasmuch as proof of infringement was vital in the plaintiff's case and the best evidence of infringement is the testimony of witnesses who may be classed as ordinary observers giving such attention as a purchaser usually gives, it is a sad commentary on the defendant's case that, out of thousands, and probably hundreds of thousands, of sales of Westinghouse heaters, which plaintiff alleges infringe the patent in suit, it was possible for plaintiff to offer the testimony of only two witnesses, neither of whom was disinterested or—so far as the record shows—had purchased a Westinghouse heater or a Majestic heater or had ever

contemplated making any such purchase, and is further forced to the extreme of relying upon the testimony of a witness testifying for the defendant and who, although a purchaser of a Westinghouse heater, did not know or care whether it was a Westinghouse heater or one of some other manufacture until his attention was specifically called to it some weeks or months after its purchase and during which time it had been in regular daily use.

PRIOR LITIGATION.

Plaintiff's brief makes mention of certain prior suits by it against certain agents of the Hotpoint Electric Heating Company in which a verdict in favor of plaintiff was rendered by a jury. Although a writ of error was sued out in each of the actions in question, the matter was not prosecuted to final hearing in the Court of Appeals and, consequently, such litigation has no significance in this proceeding. Even though decisions in favor of the plaintiff had been rendered by the Circuit Court of Appeals, such decisions would have had no binding effect in the instant case because the subject matter constituting the alleged infringement here is materially different from that constituting the alleged infringement in each of the prior suits.

PLAINTIFF'S POSITION UNCERTAIN AS TO SCOPE OF PATENT IN SUIT.

Plaintiff's counsel devotes several pages of his brief to urging and demonstrating that the subject matter

of the patent in suit is the entire structure shown in the patent drawing, and then apparently seeks to establish a different state of facts by alleging, in a single brief paragraph on page 42, that the heater element is no part of the design, this allegation being apparently based on the fact that the patent bears, as its title a "Design for an electric heater casing".

Either construction is fatal to plaintiff's case. If the heating unit is a part of the design, defendant's device does not infringe. If the heating unit is not a part of the design, the patent is fully and clearly anticipated. Furthermore, if the terms "heater casing" mean something less than the entire device, plaintiff does not tell us how much less and we cannot otherwise know.

INFRINGEMENT DEPENDENT UPON VALIDITY AND SCOPE.

Respecting the question of infringement, as we have already noted, that resemblance which deceives or tends to deceive an ordinary observer giving such attention as a purchaser usually gives, has not been proved, but, apart from the testimony of witnesses, the only resemblance between the design of the defendant's device and that of the patent in suit which could otherwise support a finding of infringement, is swept away by the prior art. If there were no prior art, it might be permissible to hold that such deviation from the patented design as that found in the arrangement of the heating unit, the omission of the broad marginal flange and the casing of which it constitutes a part, and

the different form of supporting frame, should not be accepted as establishing non-infringement, but before infringement can be found and decreed the validity of the patent in suit must be established.

Assuming, without admitting, that the patent in suit is valid, the infringement test must be that applied in *Kruittschnitt v. Simmons et al.*, 118 F. R. 851, as follows:

“The attention of the public is not primarily or necessarily called to the specific design, but to the bordered aluminum sign plates as a new article of manufacture. Consequently, when the defendant’s manufactured bordered aluminum signs having patterns differing so widely from the patented design as not to infringe the same, they were purchased by persons who supposed they were getting plaintiff’s design, or who, at least, failed to distinguish the difference between them. Counsel for plaintiff, therefore, invokes the application of the familiar test,—‘the eye of the ordinary observer, giving such attention as a purchaser usually gives.’

For the reasons already stated, this test cannot be applied in this case without doing violence to the fundamental law of infringement—that in order to constitute infringement there must be an appropriation of the novel elements of the patented design. Because such aluminum signs are new, the purchasing public may mistake defendants’ design, which every one has a right to make, for the design which only the plaintiff has the right to make. But the defendants cannot be deprived of their common right. The plaintiff, then, must be limited in such test to configurations which appropriate his design.”

In this case the facts were obviously more favorable for the plaintiff than are those in the case at bar, in

which the border flange of the patent in suit has not been either appropriated or replaced by an equivalent element.

Another case of great persuasive value, if not of controlling importance as regards the question of infringement, is that of *Grelle et al. v. City of Eugene, Or., et al.*, decided in this Circuit and reported in 221 F. R. 68. In this case, the Court of Appeals said:

“In the nature of things, lamp posts manufactured for use in city streets must possess many features in common. In general form they must of necessity be somewhat the same. As stated by one of the defendants’ experts:

‘There is not much chance for originality. The only chance for originality the designer has in designing a post is in the detail.’

There is an additional reason why the defendants’ post should not be held to be an infringement of the Grelle patent. In the decisions which we have cited there were involved alleged infringements of design patents for silverware, ornaments, dishes, lamp shades, and similar articles. There is this distinction between such cases and the case at bar. In those cases the object and purpose of the specific design was to excel in artistry and ornamentation. In the present case it appears from the record that the object of the defendants in adopting the design of post claimed to infringe the Grelle patent was a practical one.”

(See also *Zidell v. Dexter*, 262 F. R. 145, and *Crane and Breed Mfg. Co. v. Elgin Silver Plate Co.*, 268 F. R. 543.)

CONCLUSION.

It is submitted, in conclusion, that the plaintiff-appellant has brought to this Court a cause of action which has no basis in equity—

1st. Because the design of the patent in suit embodies only what was taken from a well developed prior art and is therefore devoid of invention.

2nd. Because every element of the device shown in the patent in suit has a functional purpose and characteristic and no other and that no part of the structure could be omitted so modified as to materially change the design without omitting or materially changing such functional characteristic, and, therefore, the design is not “ornamental” within the meaning of Section 4929, R. S. U .S.

3rd. Because the wide marginal flange, which surrounds the reflector of the plaintiff’s design and constitutes a striking and important feature of it has no counterpart or equivalent in defendant’s design.

4th. Because the relation of the heating unit to the reflector in defendant’s heater differs so radically from that of the corresponding elements of the patented design as to establish non-infringement, the difference being such as to make an instant and striking impression upon the sight and mind of one of plaintiff’s own witnesses.

5th. Because the supporting member of defendant’s heater is so strikingly different from that of plaintiff’s heater that the most casual observer, if possessed of normal intelligence and power of vision, could not mistake the one for the other.

6th. Because every element of defendant's design and the design as a whole were taken from the prior art and, therefore, could not have been taken from the plaintiff's patent unless it constituted the medium through which the information was transmitted.

SUGGESTED MISTRIAL.

Appellant suggests a mistrial and consequent invalidity of the decree upon three grounds:

1. That Judge Dietrich decided the case and wrote his opinion while in the State of Idaho.
2. That Judge Dietrich performed these acts on October 4, 1920, subsequent to the expiration of the period during which he was designated to hold court.
3. That the decree was signed by Judge Bean, who did not decide the case.

The first answer, applicable to all these contentions, is that appellant must be deemed to have waived any possible error and is estopped to urge error because of appellant's failure to raise these objections before the entry of the decree and because of the fact that counsel for appellant himself prepared the decree and procured Judge Bean to sign it. Upon well settled principles, appellant cannot complain of a proceeding which it has induced and for which it is responsible.

Whipkey v. Nicholas, 34 S. E. 751 (W. Va.);

City of Oakland v. Hart, 129 Cal. 98;

Madden v. McKenzie, 144 Fed. 64 (C. C. A. 9th Cir.);

Ellington v. State, 123 Pac. 186 (Okla.).

There are further answers to each specification of mistrial.

1. There is nothing in the record to support appellant's statement that Judge Dietrich decided the case or took any other action while in Idaho. This is a gratuitous assumption on the part of appellant.

2. The decree contradicts appellant's statement that the case was decided and the opinion written on October 4, 1920. The decree declares:

“and thereupon after consideration thereof it was, on the 4th day of September, 1920, ordered that the bill of complaint be dismissed with costs to defendant, and that a decree be signed, filed and entered accordingly.” (Transcript, p. 36.)

Thus, it appears on the face of the decree that Judge Dietrich decided that case and completed his judicial function in September in strict conformity to the order of designation.

It is well settled that a recital in the decree is conclusive in support of its validity. But even if we look elsewhere in the record we find nothing to contradict the recital that the case was decided on September 4, 1920. It is true that there is in the record evidence to the effect that the opinion of Judge Dietrich was *filed* on October 4, 1920. This is found in the filing mark on the opinion (Tr. p. 35) and the recital in the clerk's minute order entered on the filing of the opinion. (Tr. p. 19.)

There is no necessary conflict here. The record would merely indicate that the opinion was written

and the cause decided in September, but that the opinion was not actually filed until October 4. This does not militate against the conclusion that Judge Dietrich had completed his task in September.

But, even assuming that there is a conflict between the recital in the decree that the order for dismissal was made in September and the recitals elsewhere in the record that such order was made in October, this conflict will be resolved so as to uphold the decree. The Court will not indulge in the contrary view for the purpose of accomplishing a reversal.

In *Western Union Tel. Co. v. Jackson*, 46 S. W. 279 (Tex.), it was held:

“The trial court’s conclusions of fact and law are marked filed, five days after the court adjourned for the term; and it is contended that they should not be considered, and error is assigned upon the alleged failure of the court to file such conclusions before the court adjourned. If it be conceded that the conclusions of fact and law could not be properly filed after the court adjourned for the term, still no ground for reversal is shown. The concluding part of the judgment is in these words: “Thereupon, on the request of defendant, the court filed his conclusions of law and facts; and, the same having been done, the defendant, in open court, excepts.” The judgment was rendered on the 28th day of October, 1897, which was three days before the court adjourned; and the solemn declaration made by the court, and incorporated in the judgment, to the effect that the conclusions of law and fact were then filed, should override and control the file mark indorsed upon the findings by the clerk.” (Page 280.)

In *Conrad v. Baldwin*, 3 Iowa, 207, it was held:

“The record leaves it doubtful when the defendant’s *answer* was filed. At one time stating it to be on the 8th—at another, on the 16th of April. Under such circumstances, we will presume it to have been filed on the day first named, for on this hypothesis, the action of the court below is clearly correct; and every presumption should be given in favor of such action. When a record presents conflicting dates as to any fact in a case, being governed by one of which, we would find error, while by the other, there would be no error, we should be guided by the one which will sustain the judgment below” (pp. 208-9).

To the same effect:

Davis v. Lezinsky, 93 Cal. 126.

As to the rule of presumption in favor of the validity of the decree, see:

The Alaska, 35 Fed. 555;

Weichen v. U. S., 262 Fed. 941;

Stockslager v. U. S., 116 Fed. 590 (C. C. A. 9th Circ.)

In conclusion, on this point, the order designating Judge Dietrich to hold court during August and September conferred authority on him to decide thereafter a cause which had been tried and submitted to him during the designated period.

The validity of judicial acts performed at times and under conditions not covered by express authorization is fully considered in *Shore v. Splain*, 258 Fed. 150, and the conclusion reached in that case is based upon principles of law and decisions that are controlling here.

In the case cited, Judge McMahon, a municipal court judge, was designated to act as judge of the police court pursuant to the act of Congress of February 17, 1909. The designation authorized Judge McMahon "to discharge the duties of either of the judges of the police court during their sickness, vacation or disability". Shore was tried and convicted by Judge McMahon. On the day of sentence, the two police court judges were in court discharging their duties. In upholding the sentence the Court of Appeals quotes from *Fisher v. Puget Sound Brick Co.*, 76 Pac. 107 (Wash.) as follows:

"That the return of the regular judge would not oust the special judge of jurisdiction to try and finally dispose of any case begun before him."

The Court of Appeals concludes:

"Between the submission of a case and its final disposition weeks may intervene, and if during that period the justice whose place the additional justice had taken must remain away from the court, although ready to act, it would greatly impede the dispatch of the public business here."

In *Roberts v. Wessinger*, 48 S. E. 248 (S. C.), a special judge was commissioned to hold court for an extra term ending November 28, 1903. The cause was heard and submitted to him on the last day of the term, and he then returned to his home where, several days later, he wrote the decree. He then forwarded it to the court for filing. On appeal it was objected that his jurisdiction was at an end at the expiration of the time mentioned in his commission. This contention was rejected and the decree upheld.

3. The signing of the decree was a purely ministerial act properly performed by the judge, who at the time was presiding in the court. It called for no exercise of discretion and for no judicial consideration of the issues of fact or of law. It was a pro forma proceeding in which it was unnecessary for the judge who had tried the case to participate.

In *Montgomery v. Viers*, 114 S. W. 251, it was held:

“The entry of the judgment is the act of the clerk; its signature the act of the judge. But it is not an act involving the exercise of discretion. It is ministerial, and, if there appears no good reason to the contrary, the judge may be compelled to sign a record which in law it was his duty to sign unconditionally. The judgment which was rendered (if one was) was the act of the court. Its recordation having been complete, as it is alleged it was, it remained only for the judge to sign it. Having died before signing it, the act loses none of its efficacy so far as it had gone; the matter had none the less passed into judgment. The suggestion that the respondent may not have such personal knowledge of what originally transpired as to warrant his accepting the entry as true is unsound. The personal recollection of the judge, though it may be exercised in approving the record originally, as the statute implies it may be, is rarely, if ever, resorted to to supply evidence even in aid of the record evidence in entering a judgment *nunc pro tunc*. If, then, the former judge could not properly have called his personal recollection of the matter to his aid in determining what judgment had been previously rendered, but would have been required to look alone to the files and record of the suit, what difference can there be that another is required to do the same, no more nor less? The present official can examine the record. He can see whether it imports a regular entry, and whether it is writ-

ten by the clerk who recorded the other entries of the time. He can see whether the summons had been served in due season, or whether the record shows that the defendants had appeared. He may examine the minute book and docket of the court. And from all these sources of record evidence can determine whether the judgment is correctly entered, and thereupon sign it, or though not entered, to enter it now for then, thereby securing the plaintiff in such rights as legally accrued to him by its virtue but for the omission complained of by which the record was not formally completed."

In *Ruckman v. Decker*, 27 N. J. Eq. 244, Chancellor Zabriskie filed his opinion on February 13, 1873. A decree signed by his successor in office, and filed June 11, 1873, was upheld.

See also *Grim v. Kessing*, 89 Cal. 478, 489.

Objections of the character now under discussion are not here presented for the first time. In *Stead v. Curtis*, 205 Fed. 439, the petition for rehearing raised every conceivable contention against the authority of Judge Dietrich to act as a member of this Circuit Court of Appeals pursuant to an order designating him to sit for the February, 1913, term. But the petition was denied without opinion. The same points were urged in a petition to the United States Supreme Court for writ of certiorari and there met the same fate. (234 U. S. 759.)

Wherefore, it is submitted that the decree of the District Court should be affirmed.

Dated, San Francisco,

March 5, 1921.

WESLEY G. CARR,

DAVID L. LEVY,

WALTER SHELTON,

Solicitors for Appellee.

Nos. 3616, 3617 and 3618

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,
Plaintiff and Appellant,
VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,
Defendant and Appellee.

BRIEF ON BEHALF OF HOLBROOK, MERRILL & STETSON AS AMICI CURIAE.

NATHAN HEARD,
SAMUEL KNIGHT,
KNIGHT, BOLAND, HUTCHINSON & CHRISTIN,
Of Counsel for Holbrook, Merrill & Stetson,
Amici Curiae.

Index.

	Page
Statement of the Case.....	1
A Separate Consideration of the Three Appeals is not Equitable	3
The Mechanical Patent 1,245,084 and the Design Patent 51,043 are Directed to Precisely the Same Device.....	4
The Mechanical Patent 1,245,084.....	6
The Beam Heater Idea.....	10
The Prior Warner Heater.....	12
The Prior Kempton Heater.....	14
The Prior Morse Heater.....	15
The Prior Ferranti Heater.....	16
The Prior Calor Heater.....	17
The Prior Plexsim Heater.....	18
The Prior Redglo Heater.....	21
Summary as to These Prior Heaters.....	21
The Prior Majestic or Shoenberg Heater.....	22
The Lighting Art.....	26
A Flange versus a Bead.....	27
The Attempt to Give Support to the Patents Because of Considerable Commercial Success.....	28
The Rule of Law for Testing Infringement of a Design Patent	32
Novelty and Invention are Essential to a Design Patent..	33
The Attempt to Confuse with the Design Features Which Can Form No Part Thereof.....	40
The Relation of the Heating Element to the Design.....	45
The Second Design Patent No. 51,253.....	48
In Conclusion	50

Authorities Cited.

	Page
Backstay Machine & Leather Co. v. Hamilton, 262 Fed. 411	37
Bolte & Weyer Co. v. Knight Light Co., 180 Fed. 412.....	35
Ferd Messmer Mfg. Co. v. Albert Pick & Co. et al., 251 Fed. 894	5
Gorham v. White, 14 Wall. 511.....	32
Grelle v. City of Eugene, 221 Fed. 68.....	43
Hammond v. Stockton Works, 70 Fed. 716.....	33
H. D. Smith & Co. v. Peck, Stow & Wilcox Co., 262 Fed. 415	38
Kruttchnitt v. Simmons, 118 Fed. 851.....	43
Kruttchnitt v. Simmons, 122 Fed. 1020.....	43
Myers v. Stirnheim, 97 Fed. 625.....	34
Northrup v. Adams, 2 Bann. and Arden 567.....	34
Roberts v. Bennett, 136 Fed. 193.....	39
Rose Mfg. Co. v. Whitehouse Mfg. Co., 201 Fed. 926.....	36
Rose Mfg. Co. v. Whitehouse Mfg Co., 208 Fed. 564.....	36
Rowe v. Blodgett, 112 Fed. 61.....	48
Soehner v. Favorite, 84 Fed. 182.....	44
Zidell v. Dexter, 262 Fed. 145.....	44

Nos. 3616, 3617 and 3618

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY,
Plaintiff and Appellant,

VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,
Defendant and Appellee.

BRIEF ON BEHALF OF HOLBROOK, MERRILL & STETSON AS AMICI CURIAE.

Statement of the Case.

The plaintiff appellant has involved in this litigation a mechanical patent 1,245,084, granted October 30, 1917, and two design patents, 51,043 granted July 17, 1917, and 51,253 granted September 11, 1917.

Three separate suits were brought by the plaintiff against the Westinghouse Company, one on each of these three patents, and each suit charging the same device manufactured and sold by the Westinghouse Company as an infringement. These separate appeals are taken in these three cases.

The plaintiff brought a further suit against Holbrook, Merrill and Stetson upon the mechanical patent 1,254,084, and the design patent 51,043 involving both of these patents in the same suit.

These four suits were all tried at the same time before Judge Dietrich, and were all decided adversely to the plaintiff in a single opinion entitled in all the four cases.

Before the conclusion of the trial, the plaintiff filed a fifth suit in the same court against Holbrook, Merrill & Stetson charging infringement of the second design patent 51,253, the pleadings have been closed, a stipulation agreed to that the same evidence taken in the other four suits may be used in the fifth suit, and the trial of this fifth suit is awaiting the outcome of the present appeal.

The plaintiff has taken the three appeals here before this court on the three cases involving the Westinghouse device, but it has not appealed the case involving the Holbrook, Merrill & Stetson device, which is known under the name Simplex, and which is of very similar construction to the Westinghouse device. The plaintiff is within its technical rights in thus separating the appeals, and it has until April 8th next within which to take an appeal in the Holbrook, Merrill & Stetson case.

But this strategic move on the part of plaintiff has obviously left the defendant Holbrook, Merrill & Stetson in an embarrassing position. This court has recognized the situation by allowing Holbrook, Merrill &

Stetson to appear and be heard on these appeals as *amici curiae*.

The substantial issues raised between the plaintiff and these two defendants, the Westinghouse Company and Holbrook, Merrill & Stetson, are substantially the same, although Holbrook, Merrill & Stetson have presented additional evidence in their case, and some of the evidence presented by the plaintiff in the cases against the Westinghouse Company is not applicable to the case against Holbrook, Merrill & Stetson. Nevertheless, the decision which this court will arrive at on these appeals in the Westinghouse cases will, in all probability not be determined by these differences and will so control the decision on an appeal in the cases against Holbrook, Merrill & Stetson.

A SEPARATE CONSIDERATION OF THE THREE APPEALS IS NOT EQUITABLE.

We respectfully submit that it is neither fair nor conducive to a correct understanding and a right decision of the matters in litigation between these parties that these three patents should be considered entirely separately and apart from each other.

The plaintiff has not so considered these patents.

(1) In notices sent to each defendant prior to the litigation it charged all three patents to be infringed by the same device.

(2) In the suit against Holbrook, Merrill & Stetson the mechanical patent and one of the design patents were joined.

(3) The bulk of the evidence in all four of the cases tried is substantially the same.

(4) The cases were all tried at the same time in immediate sequence.

(5) The cases were all argued together as a single case before the lower court.

(6) The cases were all decided in a single opinion by the court below.

(7) The three cases against the Westinghouse Company are all to be argued together before this court.

We shall therefore present the same brief as *amici curiae* in all three of these appeals in order that the court may properly appreciate the relation of each patent to the other, and to the defendants' devices.

THE MECHANICAL PATENT 1,245,084, AND THE DESIGN PATENT 51,043 ARE DIRECTED TO PRECISELY THE SAME DEVICE.

These two patents which were involved in two separate suits against the Westinghouse Company, and in a single suit against Holbrook, Merrill & Stetson are attempts to obtain a monopoly of precisely the same thing from two different standpoints. Observing the drawings forming a part of these patents, it will be seen that the same device is illustrated in both. The shape or configuration of the device is the same in each case.

It was the object of the mechanical patent to provide and cover certain protective features; *first*, the dead air space behind the reflector, and, *second*, the

annular marginal flange around the edge of the reflector. The provision of these two features was what, and what alone, produced the shape or configuration made the subject of the design patent.

The design patent is therefore purely and simply nothing but a copy of the mechanical patent, and every element disclosed therein is there solely for functional purposes, with no idea of an invention in an ornamental or pleasing effect.

This point we shall further elaborate, but this fact fully established on the very face of the record brings the design patent 51,043 within the well-established rule so clearly stated by this court in *Ferd Messmer Mfg. Co. v. Albert Pick & Co. et al.*, 251 Fed. 894. In that case, as in the case at bar, both a mechanical patent and a design patent upon the same thing were involved. The device was an ordinary glass tumbler formed with an annular bulge slightly below the upper edge. The object of this bulge was to prevent breakage or injury of the tumbler edge if the tumbler fell over. In that case, as has been suggested here, there had been commercial success, large sales of the patented tumbler having been made at a price twenty per cent greater than other tumblers on the market. The defendant copied the construction so closely that its tumblers could not be distinguished from the plaintiff's. This court held the design patent invalid, saying:

“The bulge in the patented glass cannot be said to be ornamental within the meaning of section 4929 of the Revised Statutes (Comp. St. 1916, Sec.

9475). There is nothing in the bulge of the patented glass which would appeal to the esthetic emotions or to our idea of the beautiful. While the bulge may be new and useful, we cannot say that it has added anything to decorative art."

THE MECHANICAL PATENT, 1,245,084.

The specification of this patent is brief; it comprises less than a single page. It will take but a moment's examination to show that this patent on its face recognizes that it discloses nothing of a primary character, that it discloses no fundamentally new principle, and that it is restricted to minor details which, but for the vigor and extent of this litigation, we would not hesitate to characterize as trivial.

We note at the outset:

(1) No claim is anywhere made in the specification that the device produces a "beam".

(2) No claim is anywhere made in the specification that the reflector is or should be parabolic in shape.

(3) No suggestion is anywhere made that the reflector is to be made of, or coated with, copper.

(4) No claim is anywhere made to the use of the necessary nichrome resistance wire.

(5) No claim is suggested as to any novelty in the wire guard.

It is a most singular thing, and most significant, that the patent itself not only fails to assert as novel, but also fails even to mention, those things which the plaintiff now asserts to be the controlling factors in the case.

The patentee Brown filed his application July 10, 1917, or about a year after, according to his own testimony; he had manufactured and placed these devices on the market, and yet in this patent he *does not even mention* the idea of the copper bowl, the idea of a parabolic or similar reflector, or the idea of the beam-like projection of the radiant rays of heat.

Brown, when he filed his application, was required by Section 4888, R. S., to

“explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions; and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery.”

At the outset Brown pointed out that his invention related to a generally old type of device, saying:

“This invention relates to electric heaters in which the heat waves are generated by a resistance coil or heating unit and are then reflected from a highly polished surface” (page 1, lines 9-12).

He next proceeded to state the object of his invention, and, in a single paragraph, he stated but a single object, as follows:

“One of the main purposes of my invention is to provide an electric heater or radiator in which the highly heated portions are inclosed by protecting members, but one readily accessible for examination or repair” (page 1, lines 13-17).

What now were these “protecting members” which embody the only stated purpose of the alleged inven-

tion? They are clearly and definitely stated in the following language:

“The air-space 5, between the reflector plate 1 and the casing 3 prevents the latter from becoming heated. In order to prevent the outer exposed edge of the heater from being heated I provide the casing with a marginal annular flange 3a” (page 1, lines 60-65).

The four claims of the patent are of the most limited character. Claims two, three and four are devoted to the most trivial details, and have been withdrawn from consideration on this appeal. Even claim one, which is the only claim now before the court, does not claim both of these protective features, but only the “annular member extending outwardly from the margin of said reflector”, and that in combination with the old wire guard, and other old features.

During the progress of the application, the Patent Office Examiner inquired more particularly as to just what was this annular member, and as shown by the file wrapper, the applicant replied “it is the flange, 3a, shown in the drawing”, thus emphasizing the distinctive feature of his device.

It is unnecessary here to consider whether these two protective features thus made the subject of this patent are or are not of substantial value. *The essential point to note is that they, and they alone, constitute the sole object and purpose of the alleged invention.*

The plaintiff in this type of heater has always used a spool-like heating element, extending *transversely*

across the face of the reflector, and it is consequently obvious that with this unsymmetrical arrangement the heat reflected from this element on to the reflector must heat the reflector unevenly. It may well be, therefore, that the patentee conceived it desirable to provide these two features, *first*, the outer casing forming with the reflector the dead air space, and *second*, the annular member or flange extending outwardly from the margin of the reflector. In any event, the invention of the patent is based on the theory that these two protective devices are necessary.

This gives the reason for the mechanical patent, and determines the essential shape disclosed in the design patent.

But the defendants' devices, both the Westinghouse device and the Simplex device of Holbrook, Merrill & Stetson are constructed on an entirely different theory. In both defendants' devices the heating element is arranged not transversely, but axially of the reflector, and consequently the reflector is not unevenly heated. The theory in the defendants' devices is that no protective features, either in the nature of dead air space, or in the nature of an annular flange or member extending outwardly from the margin of the reflector are necessary.

Both of the defendants' devices correspond substantially in their final and complete shape to the reflector element 1 shown in the drawings of the Brown patent. That is to say, if the extra casing 3 and the dead air space feature are removed, and if the annular

flange or member 3a is removed from the plaintiff's device, there is left the reflector member 1 corresponding closely in function, shape and appearance to the defendants' devices.

We respectfully submit, therefore, that it is absurd to argue that when the two features, which constitute the sole object and purpose of the plaintiff's alleged mechanical invention, and which determine the characteristic appearance of the plaintiff's alleged design, are bodily removed, what is left can be an embodiment of either invention. And yet what is left corresponds to the defendants' structure in each case.

THE BEAM HEATER IDEA.

It is somewhat difficult to follow counsel for the plaintiff in his discussion of the fundamental principle of the invention, and at the same time have any regard for the undisputed evidence.

Many statements in plaintiff's brief and the cut appearing opposite page 12, would seem to indicate that the plaintiff claims that the patented heater produces a cylindrical beam of radiant energy. Much is said about the use of a parabolic reflector by the plaintiff, and the claim is made that this heater "produces a perfect shaft or beam of radiant energy" (page 12, Brief in 3617), and the prior art is distinguished because "they did not produce a *cylindrical* shaft or beam of parallel rays) (page 40 *idem*). Again the same brief on page 58 appears to state that

Brown has "a homogeneous cylindrical shaft or beam of parallel rays".

If the claim is that plaintiff's device produces a cylindrical beam, it is utterly unwarranted. It is sufficient to refer to the testimony of Mr. Henry, plaintiff's own expert. On pages 114 and 115 in the record of No. 3617, he discusses the nature of the beam produced by the plaintiff's heater and the Westinghouse heater, and concludes by saying,

"but in both cases you will get a decided heat beam 10 feet in diameter, or 10 feet wide, I will say at a distance of 9 feet from the unit".

In other words, there is nothing even approximating a cylindrical beam produced either by the plaintiff's own exemplification of its patent, or by the defendants' device.

It is admitted and is obvious that the only possible way in which a cylindrical beam could be produced would be by the concentration of the heating element at the focus of a parabolic reflector, but this is physically impossible even of close approximation. All the heating elements employed in these devices for many years have been relatively large, and have not even approximated a focal location. No part of the plaintiff's element is or can be at the focus, and the drawing inserted in plaintiff's brief (e. g. opposite page 12, in No. 3617) is entirely misleading.

There was nothing whatever novel in the idea embodied in these heaters of a general localization of the heat by reflecting the rays of radiant energy on to

the object to be heated. This has been done from the very beginning of the history of the art, and in many instances, with a much greater degree of concentration than that employed by either the plaintiff's or defendants' devices.

All that the Brown patent in suit sought to accomplish was to gather up and reflect forward upon the object the rays of radiant energy from the heating element.

We have already noted that Brown nowhere in his patent claims to form any particular kind of beam. He says nothing about it. He does not even describe any particular shape of reflector. In line 24 of page 1 of the mechanical patent he calls it "a concavo-convex reflector", and in the claims, he uses the same language, as, for example, in lines 84 and 85 of claim 1, the only claim before this court, where he recites "a concavo-convex reflector". He was thus describing his reflector by precisely the same language which had been used long before in the Warner patent for a similar device.

THE PRIOR WARNER HEATER.

Warner in his patent 1,120,003, granted December 8, 1914, described the reflector as "a reflector, b, of concavo-convex form" (page 1; lines 19-20), and in his claims described it as "a concavo-convex reflector mounted on the standard".

The reflector of this Warner patent, exactly as in the patent in suit, is illustrated and described as "of

concavo-convex form". Just what its precise shape is, that is, whether parabolic or hemispherical, is quite immaterial, either from the standpoint of function or of appearance. The plaintiff's brief in No. 3617 in discussing this patent at page 34, says:

"It shows a large hemispherical bowl of concavo-convex form, which is called in the patent a reflector."

We may accept this statement as true because, as we have noted, and as very clearly set forth in the same brief, the precise shape makes no difference. Plaintiff's counsel in the following statement on pages 10 and 11 of the same brief evidently has in mind the matter of infringement. But any rule which provides a test for identity in the matter of *infringement* necessarily makes the same test applicable for identity in the matter of *anticipation*. Plaintiff's brief says:

"The parabolic reflector is therefore the most perfect form for the projection of radiant energy. If, however, instead of having a perfect parabolic reflector, we have one approximating thereto, such as the segment of a circle, or, popularly speaking, a hemispherical reflector, then practically the same result will follow as in the case of a parabolic reflector. The difference will be manifested only in a slightly less perfect form of the shaft or beam. This difference, however, is so slight as not to be appreciable from a utilitarian point of view. Hence, we may say in a popular sense that the results in the two cases are the same, at least this is true in the sense of the patent law, which looks upon substantiality rather than upon minute variance."

This is a substantially correct statement, and we may accept it. The Warner patent was cited in the prosecution of the Brown mechanical patent in suit by the Patent Office, and was one of the compelling reasons for the acceptance of the narrow and specific claims which appear in the Brown patent. Warner showed the extra casing with the dead air space, but he did not show the protective annular flange or member extending outwardly from the margin of the reflector. Warner simply showed the small finishing bead or turned over edge of the reflector, which is employed both in the Westinghouse and the Simplex devices of the defendants.

The Warner patent, like the Brown mechanical patent in suit, says nothing about the use of copper for the reflector bowl, but that was an old feature and was actually embodied in the Warner devices, manufactured and sold under the Warner patent, a sample of which is in evidence as "Plaintiff's Exhibit 8".

THE PRIOR KEMPTON HEATER.

The substantial idea is shown in the Kempton British patent, No. 12,320 of 1848, where the heating element was a gas burner "placed in the focus of the parabolic or other shaped reflector, and the heat to be reflected into the apartment". The court below considered the Holbrook, Merrill & Stetson case, along with the Westinghouse cases in its opinion, and said:

"In English patent No. 12,320, Kempton claimed that by the use of a reflector of 'parabolic or

conical shape', located in a fireplace or in open space, for the purpose of throwing the heat into the room, gas could be used for heating purposes as cheaply as coal. He shows a gas jet in the same relation to the reflector as here the resistance coil."

Plaintiff's counsel complains in his brief because this patent was not technically offered in evidence in one of the Westinghouse cases. That may possibly be so, but it was offered in evidence in at least one of the cases which were all tried at the same time. We cannot believe that plaintiff's counsel really desires this court to shut its eyes to this ancient matter of historical interest clearly and fully disclosing the same fundamental idea applied nearly three-quarters of a century ago with gas as the heating element.

THE PRIOR MORSE HEATER.

The same fundamental idea appears in the Morse patent, 88,107, March 3, 1908. In this patent the heating element was an incandescent lamp located in front of a hemispherical shaped reflector, and the patentee said,

"when the electric light is turned on, the heat developed within it is reflected downwardly by the shell toward the surface of the body against which the lower edge of the shell rests. In this way when the device is properly applied the heat from the light is concentrated at the desired point" (page 1; lines 45-51).

The Morse patent also described the reflector or body of the device as one "which consists of a shell or hem-

isphere'', so that applying the rule laid down by the plaintiff, and just referred to, we here have the same shaped reflector. Plaintiff argues that this is a therapeutical device, but it is entirely inconsequential whether the reflected radiant energy is utilized for this purpose or merely for comfort. Plaintiff's counsel on page 19 of his brief in No. 3617,

“But however that may be, the specification does not show or mention a reflector of any kind.”

Evidently the plaintiff's counsel has not read the patent. In the quotation just given, the word “reflected” is used, and further on, beginning at line 72, the specification states:

“The feature of mounting the electric lamp in a horizontal position within the *reflector*, is considered highly advantageous, as by this arrangement, the lamp projects its *heat* more efficiently on to the surface of the body.”

THE PRIOR FERRANTI HEATER.

Again the same fundamental idea appears in the Ferranti device. This is shown in a large number of publications, including defendants' Exhibits Nos. 1, 2, 4, 11 and 12, and others produced in the Holbrook, Merrill & Stetson case. No sample of the device has been offered in evidence, but it is very fully illustrated and described, and was extensively advertised. One of the best illustrations of the device is in the defendants' Exhibit No. 12, “Supplement to the Electrician” of September 20, 1912. It will be noted therefrom that the reflector was similar in shape to those here involved.

Its stated diameter of 18 inches makes it correspond in size closely to both the defendants' devices. Various forms of standards or pedestals were employed, and the form shown in the small cut at the left hand side of page 1 of this exhibit is similar to that shown in the patents in suit. This exhibit also describes the use of the "removable wire guard * * * covering the reflector", and quoting a price therefor of 10 shillings, 6 pence. In defendants' Exhibit No. 2, the Ferranti reflector is described thus,

"By means of a *bowl-shaped copper reflector* surrounding the heating surface, and carried on trunnions, the heat rays can be focused in any desired direction."

In the same paragraph a form of wire guard is described as,

"secured to the outer edge of the copper reflecting bowl".

In defendants' Exhibit No. 1, "The Electrical Times" for January 5, 1912, the reflector is thus described,

"a *circular bowl of polished copper*, which concentrates and reflects the heat rays * * * there is considerable radiant energy, and owing to the reflecting properties of the bowl, this can distinctly be felt at a distance of many feet. It has much the appearance of a red hot fire, hence its name and its effect is much the same."

THE PRIOR CALOR HEATER.

The Calor heater is another of these devices illustrated and described in a number of publications, in-

cluding defendants' Exhibits Nos. 5 and 7, the "Electrical Times" for March 6, and October 9, 1913. The latter publication in figure 3 shows the concavo-convex reflector mounted on the pedestal type of standard. While the reflector is not described in this particular form as of copper, other forms are described as having the reflector of "polished copper".

THE PRIOR PLEXXSIM HEATER.

The Plexsim heater is made the subject of British patent No. 19,971 of 1913, and is also illustrated and described in a number of publications, two of which appear as defendants' Exhibits Nos. 8 and 9, the "Electrical Times" of December 4, 1913, and the "Supplement of the Electrician" of October 16, 1914, respectively.

The plaintiff's counsel in his brief seems to be much worried, and rightly so, over the disclosures with respect to this Plexsim heater. Many other disclosures were produced in the Holbrook, Merrill & Stetson case, but those referred to are sufficient. This device is of interest because it embodies (1) a yoke shaped pedestal in which the reflector swings on trunnions as in the case of defendants' devices; (2) the parabolic copper reflecting bowl; (3) the arched wire guard springing from the margin of the reflector (a flat wire mesh guard is also shown, but that is an alternative); (4) a spool-like heating element extending axially of the reflector as in the defendants' devices, and not transversely as in the plaintiff's device; (5) the use of the same wattage, namely 600, as employed by the plaintiff and defendant.

The "Electrical Times" of December 4, 1913, defendants' Exhibit No. 8, contains a diagram showing the beam-like action of the Plexsim heater, and the article describing it states:

"The heater is of pedestal form, with cone-shaped reflector of polished copper, which is pivoted at the center, so that it can be swivelled to any angle. The heating element is arranged horizontally through the center of the reflector from the apex to the base, and consists of a special resistance alloy wound spirally over a fire clay carrier. * * * When on circuit the appearance is that of a glowing circle of fire, which produces a most cheerful effect, *the heat rays being thrown forward in a more or less parallel beam* in any direction, according to the angle at which the reflector is swivelled. * * * although the efficiency of the device is neither more nor less than that of any other electric heater in which the whole of the energy absorbed is given out in useful heat, *the user may receive a greater proportion of this heat owing to the concentrating and focusing properties of the specially shaped reflector used.*"

The British patent under which this heater was made repeatedly describes the copper reflector, the parabolic form, the beam-like reflecting action and the axially arranged heating element. We copy the following excerpts from this remarkably full disclosure:

"the object is to provide an apparatus of convenient form in which the *radiant heat* issues in the form of a *condensed beam of rays*".

"The reflector is * * * usually made of or lined with sheet copper, the inner surface being highly polished."

"the reflector may be in whole or in part of *parabolic* or the like contour according to the form desired for the *emergent beam of rays*".

“We prefer to mount the reflector pivotally on a forked stem * * * so that the *beam of rays* can be turned to point in any direction.”

“a reflector, the section of which on a plane containing said axis, is the frustum of a cone, or of *parabolic configuration*”.

“The reflector is so mounted * * * as to reflect the emergent rays in any desired direction.”

“A. is the conical reflector, which may be made wholly of copper * * *. The inner surface is highly polished.”

“the reflector may be, in longitudinal section, in whole or in part of *parabolic* or the like contour, according to the form desired for the *emergent beam of rays*”.

The claims are directed to the combination of the “conical or *parabolic* reflector”, with the heating element arranged like the defendants’ devices “so as to lie on the axis of the said reflector”.

It is idle for the plaintiff to dispute the full, accurate and detailed disclosures of this Plexsim heater, and to discuss trivial details such as the alternative corrugations described. Tested by any rule which may be laid down, we have here a complete anticipation of the main idea of this type of heater.

It is true that the Plexsim heater does not show, and did not have, the two protective features of the plaintiff’s patent, (1) the extra casing forming the dead air space behind the reflector, (2) the marginal annular protecting flange. These are the only things which the plaintiff sought or suggested as novel in his patent, but neither of these things are present in any of the defendants’ devices.

THE PRIOR REDGLO HEATER.

The Redglo heater is shown in the British patent to Martin, No. 2764, of 1912, which was cited by the Patent Office during the prosecution of the application for the patent in suit, and one form is advertised and described and illustrated in the "Supplement to The Electrician" of October 3, 1913, "Defendants' Exhibit No. 6". These disclosures are only of general interest, it being noted that the patent describes the

"reflector of a comparatively wide angle to throw out the radiated heat in any desired direction",

and points out that any style of stand or pedestal may be employed.

"The radiator above described may be used, however, with any other convenient form of support or stand, and this is mentioned by way of example only as a suitable form of support."

SUMMARY AS TO THESE PRIOR HEATERS.

Plaintiff's counsel complains that there is no evidence that these various devices were sold in this country. But what of it. The statute makes a complete bar to a valid patent here the fact that the device is

"patented or described in any printed publication in this or any foreign country" (Sec. 4886, R. S.).

It is seldom that a case contains such a wealth of clear and definite illustration and disclosure as appears in these foreign patents and publications setting forth the Plexsim and Ferranti Electric heaters. So far as the features common to plaintiff's and defendants' devices

are concerned, this disclosure is far more full, complete and accurate than is the disclosure of the Brown patent in suit.

THE PRIOR MAJESTIC OR SHOENBERG HEATER.

The earlier Majestic or Shoenberg heaters present a state of the art which is sufficient alone to explain why it was impossible for Brown in his mechanical patent in suit to urge novelty for anything more than trivial details, and in his design patent in suit, to include the destructive wide marginal flange.

We are at an utter loss to understand the allegation of plaintiff's counsel in his brief that these earlier Majestic devices were "abandoned experiments". It is absurd to argue, in view of the record in these cases, that these devices were experimental. Unquestionably they were not so successful as money-makers for the plaintiff company as its present device, but the reason is not far to seek.

The plaintiff did not use in any of these devices the glowing polished copper bowl, which is the outstanding, predominant and distinctive feature. This is the thing which catches the eye, which gives the "pleasing appearance", and which gives a highly efficient reflection, for as Mr. Henry, plaintiff's expert, says:

"Polished copper is a highly efficient surface for the reflection of radiant heat waves" (Record in 3617, page 102).

Let us make this matter perfectly certain by quoting Mr. Brown himself.

“Never prior to our No. 7 heater did we market a heater of portable type having a burnished copper reflector” (Record in 3617, page 125),

and by quoting plaintiff’s expert Mr. Henry, in discussing these earlier Majestic heaters,

“These exhibits are of nickel or of nickeled surface, and as such are not nearly as efficient in the reflection of the radiant heat rays” (Record in 3617, page 100).

But that these earlier Majestic heaters were extensively manufactured, sold and used can not be questioned.

These earlier heaters were made in slightly different forms known as No. 1, No. 2, No. 3, No. 1b, No. 2b and No. 3b, and samples of the actual devices are in evidence. The record in No. 3617 contains the following stipulation at pages 76 and 77,

“Plaintiff’s counsel admitted that the early Majestic devices 1, 2 and 3, hereinbefore referred to, were made and sold more than two years prior to the filing of the application for the patent in suit, but the manufacture and sale of the other devices referred to as 1b, 2b, and 3b were not made until the fall of 1915” (The latter date being prior to Brown’s invention),

and similar stipulations appear in the other records.

Various circulars of the Majestic Company illustrating, describing and advertising these devices are in evidence. The “Electrical Record” for May, 1915, defendants’ Exhibit No. 16, illustrates and describes one of them. Mr. Brown’s testimony on pages 120 and 121 in No. 3617 shows that all of these were manufactured and sold, and on cross-examination he testified,

“Our sales of the previous heaters, Nos. 1, 2 and 3, and 1b, 2b and 3b, were not confined to the Pacific Coast” (page 124, Record 3617).

There is also in evidence, as defendants' Exhibit E. a large photograph showing a most remarkable display of these earlier Majestic heaters at the Panama Pacific Exposition, prior to May, 1915.

The Shoenberg patent 1,109,551, granted September 1, 1914, is in evidence, and was cited by the Patent Office in the examination of the application for the Brown mechanical patent. The plaintiff's present form of heaters bear name plates in which they purport to be manufactured under this patent (Record 3617, page 42). This patent is of particular interest in showing the form of pedestal, the form of heating coil, and the form of arched wire protecting guard universally employed by the plaintiff. It also shows the dead air space behind the reflector, but this does not appear to have been used in the earlier heaters.

The attempt of plaintiff's counsel in his brief to differentiate the form of beam produced by the earlier Majestic or Shoenberg heater from that produced by the present Majestic heater accompanied by the misleading diagrams inserted in the brief, is without force when the heaters themselves are examined and the Shoenberg patent is read. The patent states beginning with line 48 of page 1,

“The reflector consists preferably of a highly polished metal shell 1, which is somewhat hemispherical or dome-shaped, and serves to reflect the heat waves received from the heater and direct them outwardly from its inner concave surface.”

Another illustration of the Shoenberg heater, or earlier Majestic heater, substantially in the form known as the Majestic No. 3, a sample of which is in evidence as "Defendants' Exhibit D", the one having a glass knob at the top of the standard, appears in the British Taylor patent 102,070 of 1916, mentioned by the court below in its opinion in discussing the second design patent 51,253 in suit. Plaintiff's counsel seems greatly disturbed at this reference because this patent was only offered in evidence in the Holbrook, Merrill & Stetson case. It is quite immaterial, however, because the other disclosures of the prior Shoenberg or Majestic heater, formally in evidence in these cases, are amply sufficient.

It is doubtless true that the beam produced by the parabolic form of plaintiff's present commercial heater—a form which is not specifically mentioned or claimed in the patents in suit—condenses in a somewhat different manner the reflected radiant rays than the various forms employed in plaintiff's earlier heaters, but the difference is purely one of degree, and not one of principle. We might even accept the incorrect diagrams of the Shoenberg heater appearing in plaintiff's brief, when we bear in mind Mr. Henry's testimony previously quoted describing the beam produced by plaintiff's present heater and the defendants' heaters,

"but in both cases you will get a decided heat beam 10 feet in diameter, or 10 feet wide, I will say at a distance of 9 feet from the unit".

The important point to note is that none of these earlier Majestic heaters had the "annular member ex-

tending outwardly from the margin of said reflector", which distinguishes the single claim involved of the Brown mechanical patent, and which characterizes the appearance made the subject of the first design patent in suit. These earlier devices employed a finishing bead secured by turning back the peripheral edge of the reflector in much the same way as is done in the defendants' devices.

If we eliminate, as we must in considering either the question of anticipation or the question of infringement, the matter of relative size, the color whether nickel or copper, it is impossible to distinguish in a substantial respect, either in function or appearance, the Majestic No. 2 earlier heater from the defendants' heaters.

THE LIGHTING ART.

The lighting art is of interest because the laws governing the reflection of light and of radiant heat are the same. The court below brought out this point in a question the presiding Judge asked of plaintiff's expert,

"The COURT. Q. I want to ask one question. Should I desire to experiment with these various devices by the use of light, as I understand you, the laws of light are substantially the same as the laws of this radiant heat energy?

A. As regards reflection, yes.

Q. In other words, if they would throw a beam of light, they would throw a beam of heat energy.

A. Yes; in that case your light source should be the same size and position as the heat source" (Record in 3617, page 113).

Mr. Beam, beginning on page 136 of the same record discusses this matter at some length, but it is well known, and a matter of which the court may take judicial notice, that parabolic and similar reflectors have been used for many years in search lights, automobile head lights, and elsewhere, to reflect and project a beam of light and that the width and shape of the beam are varied as desired by the shape of the reflector.

A FLANGE VERSUS A BEAD.

There has been considerable discussion in the expert testimony in the record in these cases, in an attempt by plaintiff to suggest a similarity, by the use of words, between the "annular member extending outwardly from the margin of said reflector" of the claim of the Brown mechanical patent, and the finishing bead employed at the edge of the reflectors of the defendants' devices.

But we respectfully submit that all this talk is trivial. This court and this litigation is not concerned with *words* but with *things*. It is quite clear from the plaintiff's mechanical patent and from its first design patent that this "annular member" is a distinguishing feature of its invention, and is provided for a definite protective purpose clearly set forth in the mechanical patent. It is clear also that in the defendants' devices there is nothing but a strengthening bead or edge of the same character as employed in the Warner patent or in the earlier Majestic heaters.

We have already pointed out that if the annular flange or member 3a be bodily removed from the plain-

tiff's device, there still remains a reflector having a finishing bead or edge corresponding almost exactly to the defendants' construction.

It makes no difference what word or term be employed, the two things are different and are present for different purposes.

**THE ATTEMPT TO GIVE SUPPORT TO THE PATENTS BECAUSE
OF CONSIDERABLE COMMERCIAL SUCCESS.**

There is no doubt but that the plaintiff's devices, as well as those of a large number of responsible competing concerns, have had a very considerable sale, especially in this section of the country, but no degree of commercial success can give life to an alleged invention which is not novel, can broaden the terms of a claim beyond the substantial scope sought and obtained from the Patent Office, or make an infringement that which a defendant has a clear right to produce. Commercial success has always been recognized by the courts as an extremely unsafe criterion, either of invention or of infringement, only to be utilized in cases of grave doubt.

The extent of the plaintiff's business in these heaters is defined in a most nebulous manner. Brown testifies that up to the time of the trial, the plaintiff had sold in the neighborhood of 350,000 or 400,000, and that some had also been manufactured at Philadelphia (Record 3617, page 40). Hiller, who did the manufacturing, testifies that he should judge it was between 100,000 and 200,000 (same record, page 44). Shoenberg, the only other witness on this matter, testifies that he can-

not say as to the number sold (same record, page 43). This is sufficient to show the indefiniteness of the evidence. These men must have known, it was their business to know, and they could have informed the court just how many had been manufactured and sold, without leaving the figures between such a wide range as 100,000 and 400,000.

But assuming, as we may, that the sale has been considerable, the reason therefor is clearly disclosed by the record as something entirely apart from the embodiment in these heaters of the trivial details by which it is possible from any standpoint to distinguish these patents from the prior art.

The plaintiff's President Brown testified at length, but a careful study of his testimony fails to disclose any reason for the commercial superiority of this later form of Majestic heater, except where referring to "the trade", he says,

"They made the remark, 'Now, you have got something that looks right.' Never prior to our No. 7 heater did we market a heater of portable type having a burnished copper reflector" (Record 3617, page 125).

The court below was amply warranted in its findings in the paragraph of its opinion devoted to a disposal of this matter.

The adoption by the plaintiff of the glowing copper bowl taken bodily from the prior art, and to which neither patent in suit makes any claim, or in fact even mentions, is undoubtedly the thing which gave to these devices popular favor, but the plaintiff can take no ad-

vantage from his feature to which it never made any claim, and which was the common property of all.

The settlement of the Nichrome wire situation was undoubtedly another factor in the increase of plaintiff's business. This matter is fully discussed by Mr. Beam on pages 140 and 152 of the Record in 3617. It appears that the right to use this essential form of resistance wire was in litigation, and was not determined until late in 1915 by the decision of the Court of Appeals of the Seventh Circuit. We do not mean that the wire was not obtainable and was not being used before that time, but the whole matter was hanging like a cloud over the manufacturers of the country. After the decision sustaining the Marsh patent, almost the first thing that the plaintiff company did was to obtain a license to use this wire. Mr. Brown took a trip to the East in 1916 and obtained a license under the Marsh patent, and it was not until after the plaintiff obtained this license, that it began the sale of the heaters in question, and pushed them vigorously. The importance of this matter is further emphasized by Mr. Brown in his testimony giving the facts on page 42, Record 3617, when he states

“The price of our No. 7 heater is determined by two factors; one is the license agreement with the Hoskins Company, the patentees of the resistance wire which we use, who place a minimum charge on heaters of this type, and the second is the cost of manufacture.”

In other words, this license is so important that it determines the price at which the plaintiff's heaters are sold.

These two things, the adoption of the distinguishing burnished copper bowl reflector for the first time, and the obtaining of the important license under the Marsh patent, are of themselves sufficient to account for the increase in the plaintiff's business.

But as pointed out by the court below, the recent demand arising particularly because of the local conditions of climate and otherwise on the Pacific Coast, doubtless aided the increasing sales of the plaintiff.

But further, the record shows that almost at the same time the leading and most responsible electrical apparatus houses of the United States began the manufacture and sale of this type of device. It is sufficient to refer to Mr. Brown's testimony on this point, on page 118 of the Record in 3617, giving the names of these concerns, the Westinghouse Company, Simplex Electric Heating Company, Landers, Frary & Clark, Rutenber Electric & Manufacturing Company, Estate Stove Company, Hotpoint Company, Hughes Company, Edison Electric Appliance Company, and after giving these names the witness said:

"The manufacturers whose names I have just mentioned advertised their product pretty lively. The Hotpoint Company was a pretty big advertiser in everything. They advertised very liberally. They advertised in the Saturday Evening Post and some National Magazines; we advertised in the newspapers, and through circular matter, and at Expositions, Fairs, etc."

It is not a source of wonder if, under these circumstances, a good many of these devices were sold, and, as the court below stated in its opinion,

“doubtless by means of advertising and the arts of salesmanship, the desire for said heaters was greatly stimulated”.

We respectfully submit, however, that the court below was clearly right in its conclusion after discussing this matter, when it said,

“But whatever may be the full explanation, such popularity as heater No. 7 may have had and may now have cannot reasonably be attributed merely to the slight change in the contour of the reflector or the addition of the broad annular flange, or to both of these changes.”

THE RULE OF LAW FOR TESTING INFRINGEMENT OF A DESIGN PATENT.

The plaintiff's counsel in his brief has devoted a great deal of space to stating and re-stating the familiar rule laid down by the Supreme Court in *Gorham v. White*, 14 Wall. 511, as if there could be some controversy over this rule. This court has accepted this rule, and we know of no reason to controvert it.

But before this rule can be applied consideration must be given to two very important matters which the plaintiff's counsel entirely overlooks.

First, it must be determined that there is a valid design patent.

Second, if there be a valid design patent, the nature and extent of the invention covered thereby must be determined.

There can be no infringement of an invalid design patent. There can be no determination of infringe-

ment until we know just what the design is that is novel and patented.

Both of these points are passed over by the plaintiff's counsel and without regarding them, he marches directly to a consideration of the question of infringement.

This court has had before it and decided an unusual number of design patent cases, and has so fully, clearly and accurately stated the propositions of law which are controlling in the cases at bar that we would hesitate to re-state any of them, were it not for the nature of the briefs filed by the plaintiff.

**NOVELTY AND INVENTION ARE ESSENTIAL TO A DESIGN
PATENT.**

A design patent is required by the statutes to disclose an "ornamental" device, and this ornamental effect must not only be novel, that is, not substantially disclosed by the prior art, but it must be the result of inventive genius.

This proposition was clearly stated by this court a good many years ago in *Hammond v. Stockton Works*, 70 Fed. 716, involving a design patent for a form of open compartment street car which may still be seen in San Francisco. Judge Ross speaking for the court said:

"To entitle a party to a patent for a design under this act, there must be originality, and the exercise of the inventive faculty. This is so, because the Statute so declares, and because it has been so decided by the Supreme Court." (Citing *Smith v. Saddle Co.*, 148 U. S. 674, 679.)

In a little later case, *Myers v. Sternheim*, 97 Fed. 625, involving a design for a lamp stove, this court again speaking through Judge Ross said:

“The exercise of the inventive faculty is just as essential to the validity of a design patent as it is to the validity of a patent for any kind of a mechanical device.”

We do not understand that the court controverts the proposition asserted by the plaintiff that there need be a high order of invention, nor do we controvert that proposition.

The real point is that there must be *invention*—that is, the exercise of genius—in the production of the ornamental effect. This is the idea of the old and often cited case of *Northrup v. Adams*, 2 Bann. and Arden 567, where it was stated,

“There must be something akin to genius—an effort of the brain as well as of the hand. * * * If the effect produced be simply the aggregation of familiar designs, it would not be patentable. For example, if one should paint upon a familiar vase a copy of Stewart’s portrait of Washington, it would not be patentable.”

It makes no difference whether we refer to the shape or configuration constituting the design as being “ornamental” in the language of the statute, or as “of pleasing appearance”, in the language of plaintiff’s brief. The idea is that the invention must reside in this ornamental or pleasing effect, must be the result of some degree of inventive genius and must be novel.

It follows, therefore, that if the shape or configuration in question results solely from functional reasons,

that is to say, is the result solely of a functional purpose, it can not be an invention in a design. That is exactly the case here. All the features of the plaintiff's device are provided for, and owe their shape or configuration to, functional purposes. This we take it is just what the court below holds in its opinion, wherein it is said,

“But in the second place, in so far as they are alike, the plaintiff's casings, as well as those of the defendants are entirely devoid of purely ornamental features, either of form or drapery; they are nude utilities.”

The court below did not mean that it was necessary that there should be surface ornamentation to produce a patentable design. That would be absurd. It did mean, however, that where, as here, the shape arose solely to secure a required function, then there could not be an invention from a design standpoint. In this holding the court was in full accord with the authorities.

We have already referred to and quoted the bulged tumbler case, 251 Fed. 894, decided by this court on this very point.

Another case is that of *Bolte & Weyer Co. v. Knight Light Co.*, 180 Fed. 412, decided by the Circuit Court of Appeals for the Seventh Circuit. The subject matter in that case was not unlike that at bar, involving a lighting fixture with a reflector and support, pictures of the structures involved being shown in the report. The court affirmed the decision below, wherein it was said:

“It is a reasonable conclusion that a device, in order to justify the granting of a design patent, must be such as to satisfy a person of ordinary judgment and good eyesight that it is ornamental, entirely independent of the character of the article to which it is applied. It is not enough that it should present in an unobtrusive form some utility that might otherwise be clothed in less endurable garb. It must disclose inventive genius—a creation which transcends the mere attractiveness almost universally availed of by dealers in every line of trade. That every symmetrical article should be made the subject of a design patent seems unconscionable. Patent monopolies are granted for the purpose of encouraging men of genius to place their mental powers at the service of the public without sacrifice. If every one who makes a graceful adaption of a utility to the purposes for which it is endured at all can secure a monopoly thereby, one may soon be afraid to twist a wire or whittle a stick, lest he infringe.”

Another case is that of *Rose Mfg. Co. v. Whitehouse Mfg. Co.* in the Circuit Court of Appeals for the Third Circuit, 208 Fed. 564. We quote from the opinion in 201 Fed. 926, which was affirmed on appeal:

“The statute (Rev. St. Sec. 4929 (U. S. Comp. St. 1901, p. 3398), as amended by Act May 9, 1902, c. 783, 32 Stat. 193 (U. S. Comp. St. Supp. 911, p. 1457)), authorizes the issue of such a patent under certain conditions to any person who has invented any new, original and ornamental design for an article of manufacture. Hence, it appears that a valid design patent demands, as has uniformly been held, an exercise of the inventive faculty the same as a mechanical patent. The design, however, thus invented must be not only new and original, but ornamental. It must exhibit something which appeals to the aesthetic

faculty of the observer. *Rowe v. Blodgett & Clapp Co.*, 112 Fed. 61, 50 C. C. A. 120; *Williams Calk Co. v. Kemmerer*, 145 Fed. 928, 76 C. C. A. 466. A valid design patent does not necessarily result from photographing a manufactured article and filing a reproduction of such photograph properly certified in the patent office. The designs of the design patents in suit are for the most part alike. No. 41,389 differs, however, from No. 41,388 in having braces which unquestionably strengthen the arm, to which the number plate is attached. It is not only apparent that this is their function, but it is also established to be such by the evidence. Indeed, every feature of these patents is mechanical and functional, and not ornamental. Even ordinary rivet heads are made to appear as beautiful circles in this scheme of ornamentation. If, moreover, the braces or supports of patent No. 41,389 were intended for ornamentation, they apparently failed in their mission, but, if otherwise, then every piece of mechanism can, with the aid of photography and the machinery of the Patent Office, be readily crystallized into a design patent."

In the recent case of *Backstay Machine and Leather Co. v. Hamilton*, 262 Fed. 411, the Circuit Court of Appeals for the First Circuit affirmed the decision of the district court on this point:

"The question presented, so far as the validity of the design patent is concerned, is whether the patentee in his article patent having conceived of a welt having a base with superimposed parallel beads or raised portions, mechanically constructed to function in a given manner, which may be of various shapes, and beads of some shape being essential to the functioning of the device, can be said to have exercised inventive thought of a character sufficient to warrant a design patent for a welt with beads or raised portions circular in cross

section. It seems to me to state the question is to answer it; that, having devised an article of manufacture with a base having parallel beads which may be of any suitable shape and beads of some shape being essential to constitute the article, it cannot be invention warranting a design patent to conclude that they should be round in cross section rather than some other suitable shape.

Furthermore, the use of the beads or raised portions, circular in cross section in connection with moldings, whether superimposed upon a base or not, is of such long standing that I cannot on the evidence regard the use made of them by the patentee in his design as disclosing inventive thought. *Tubular Rivet & Stud Co. v. Standard Finding Co.*, 231 Fed. 170, 173 (145 C. C. A. 358)."

In another recent case, *H. D. Smith & Co. v. Peck, Stow & Wilcox Co.*, 262 Fed. 415, the Circuit Court of Appeals for the Second Circuit had before it, as here, two patents, one a mechanical or utility patent and the other a design patent, disclosing the same article, namely, a screw driver. In holding the design patent invalid the court said:

"Whether the structure involves invention is a question of fact, and the determining factor is not whether the achievement is difficult or easy, but whether it has, in point of fact, given the world something of real value, that it did not have—a benefit conferred upon mankind."

"The appellee has sued upon both patents in this action. This it may properly do. *Eclipse Mach. Co. v. Harley-Davidson Motor Co.* (D. C.), 244 Fed. 463. To successfully establish the validity of the design patent, and to entitle the inventor to protection, he must establish a result obtained, which indicates, not only that the design is new but that it is beautiful and attractive. It

must involve something more than mere mechanical skill. There must be invention of design. The District Judge concluded that the screwdriver is beautiful and attractive, and he says, even ornamental. We cannot, however, agree that the appellee's structure, made pursuant to this patent, has such a pleasing effect imparted to the eye as to create beauty or attractiveness, or to make it ornamental. It provides for a new utility. Design patents refer to appearance. Their object is to encourage works of art and decorations which appeal to the aesthetic emotions—to the beautiful. We do not think that the device constructed by the appellee has a subject-matter for such beauty and attractiveness as is contemplated by the statutes, which permit the Patent Office to grant design patents, and conclude that the learned District Judge erroneously sustained this patent."

In the case of *Roberts v. Bennett*, 136 Fed. 193, the Circuit Court of Appeals for the Second Circuit held invalid a design patent for a metal basket, saying:

"The functional utility entitled the patentee to the mechanical patent already discussed, but mere functional utility did not entitle him to a design patent for the same article."

Robinson in his able work on Patents puts the matter very clearly,

"Thus while an increase in the beauty of the substance is the purpose of this species of invention, a mere increase in beauty, without an alteration in the shape or ornamentation of the substance, does not possess the characteristics of a design; nor, on the other hand, does a change of shape or ornament intended to increase the practical value of an instrument in the industrial arts, although such change augments the beauty of the instrument, bring it within this species of invention."

This is the reason why color can form no part of the design. But color in this case is the very thing which gives something of beauty to these devices; which is there independent of function; which is the characterizing feature of the appearance; but which cannot be considered either on the question of anticipation or the question of infringement. There is unquestionably beauty in pure color. This was one of Ruskin's tenets. But such ornamental character as is imparted to these heaters by the color of the reflector or the color of the pedestal is a beauty which cannot be monopolized under the patent laws, even were it original with the plaintiff, which it is not, or even if it were set forth in the patents in suit, which it is not.

So also making the reflector bowl parabolic or spherical to control the distribution of the radiant rays, or adding a marginal flange to protect the user against the heated bowl, both of which things were old, even if they were new, could not constitute a patentable design because, in the language of Robinson, they are intended to increase the practical value of the device.

**THE ATTEMPT TO CONFUSE WITH THE DESIGN FEATURES
WHICH CAN FORM NO PART THEREOF.**

Robinson in his work on Patents makes this statement:

“The image formed upon the retina may often differ widely from that formed in the mind—one being the exact representation of the object as it

really is; the other being composed of certain features of the object only, or of those features in connection with such elements as are suggested by the imagination or the memory."

This is a very clear expression of a well recognized principle. When one's eye looks at a thing the mind may not carry the same impression that is made upon the eye. That principle underlies the consideration of these cases from the design standpoint.

There is unquestionably a resemblance between all of these devices, just as in popular phraseology there is said to be a similarity in appearance between all colored persons. When an ordinary observer or an intelligent observer, or anyone else, looks at one of the plaintiff's or defendants' devices we submit that the thing that makes the impression on the mind is the copper bowl. There is something striking about it. Its polished surface glows even when not in use, and when it is lit up, the effect is still more striking. It pushes into the background all remembrance of minor details of shape or configuration.

But this color effect as we have shown is and can form no part of the design, and neither design patent suggests that it is a part of the design. The court below was clearly right when it said that the attractiveness of the plaintiff's heater was

"due not so much to slight changes in form as to increase in size, and more particularly, a substitution of the warm copper bowl with suitable trim in the place of the nickel type of heater."

The plaintiff's counsel in his brief in No. 3616 argues that the plaintiff's heater has a distinctive and characteristic appearance, he says:

"It became identified in the mind of the public with the Majestic company, so that whenever any person saw exposed for sale a portable electric heater, having the elements of No. 7, with a polished reflector glowing like a ball of fire, such person would immediately conclude that it was a Majestic heater No. 7" (page 23).

This argument is repeated and the prior Majestic devices are belittled because "small" and "nickel-plated".

It is absurd to argue in the face of the authorities and of the plaintiff's own design patent, that color forms any part of the design, and the argument is only made because counsel realizes that the copper colored glowing bowl is the vitally characteristic appearance factor, even although it has nothing to do with the issue.

This court and other courts have made it very clear in the decisions which we have quoted that in considering a design invention it must be first ascertained in what the invention consists. If the general shape or configuration of the article as a type is already old, it is obvious that the design must relate to details, and similarities arising from the common adoption of the generally old type of shape cut no figure. So also similarities arising from the use of a common color effect can cut no figure.

One of the best cases on this point is that of *Grelle v. City of Eugene*, 221 Fed. 68, decided by this court. The design patent in that case related to a street lamp post, and cuts of the patented design and of the defendants' device appear in the report. In sustaining a decree for the defendant, Judge Morrow, speaking for the court, said:

"In the nature of things, lamp posts manufactured for use in city streets must possess many features in common. In general form they must of necessity be somewhat the same. As stated by one of the defendants' experts:

'There is not much chance for originality. The only chance for originality the designer has in designing a post is in the detail'."

Another case in point is *Kruttschnitt v. Simmons*, 118 Fed. 851, affirmed by the Circuit Court of Appeals for the Second Circuit on the opinion of the court below, 122 Fed. 1020. The design related to a bordered aluminum plate. The plaintiff was the first one to put on the market this kind of an aluminum plate, but there as here, the particular metal or color of metal could not form any part of the design, and the court said:

"When the defendants manufactured bordered aluminum signs having patterns differing so widely from the patented design as not to infringe the same, they were purchased by persons who supposed they were getting plaintiff's design, or who, at least, failed to distinguish the difference between them. Counsel for plaintiff, therefore, invokes the application of the familiar test—the eye of the ordinary observer, giving such attention as a purchaser usually gives."

“For the reasons already stated, this test cannot be applied in this case without doing violence to the fundamental law of infringement,—that in order to constitute infringement there must be an appropriation of the novel elements of the patented design. Because such aluminum signs are new, the purchasing public may mistake defendants’ design, which every one has a right to make, for the design which only the plaintiff has the right to make. But the defendants cannot be deprived of their common right. The plaintiff, then, must be limited in such test to configurations which appropriate his design.”

Again this court applied this principle in the recent case of *Zidell v. Dexter*, 262 Fed. 145, speaking thus through Judge Gilbert:

“In a design invention which consists only of bringing together old elements with slight modifications of form, the invention consists only in those modifications, and another who uses the same elements with his own variations of form does not infringe, if his design is distinguishable by the ordinary observer from the patented design.”

The Circuit Court of Appeals for the Sixth Circuit in *Soehner v. Favorite*, 84 Fed. 182, put the same point in this language:

“for while it must be admitted (and this is the contention most pressed by the complainant) that to the casual observer or to one who regards their general appearance only, there is a sameness of appearance, yet it is only the sameness which results from the use by the defendant of the resources which were of right open to each—that is, in this case, the privilege of using an old kind of ornament, in its common style of application, to the improvement of the appearance of his stoves.”

These cases enforce the principle which is determining here. Any resemblance that does exist between the plaintiff's and the defendants' devices is a resemblance primarily due to the general shape or configuration which was old and common, or is due to the brilliant polished reflecting bowl which is and can form no part of either design.

THE RELATION OF THE HEATING ELEMENT TO THE DESIGN.

We do not understand what position the plaintiff takes on this point. The heating element, that is, the spool-like resistance wire wound device which occupies the prominent central position in front of the reflector, either constitutes a part of the design or it does not. So far as we are concerned, it makes no difference which position the plaintiff takes, but it cannot straddle, it must take one position or the other.

Both design patents are entitled "electric heater casing", and the plaintiff's briefs before this court are entitled in the same manner. The claims of both design patents are for

"the ornamental design for an electric heater casing substantially as shown".

Neither patent contains any specification, and as this court said in *Zidell v. Dexter*, *supra*, where there is no specification in a design patent, it is impossible to tell what the inventor considered the prominent feature, and the patentee must be held substantially to the design shown in the drawing. Plaintiff's counsel in his brief in No. 3616, at page 42, says:

“But furthermore, the patent is entitled ‘Design for an Electric Heater Casing’, and the specification and claim so designate the invention. It would seem from this that the heater element is no part of the design, but that the design is a casing to be used in connection with any kind of a heater element however that element is arranged.”

On page 36 of the same brief, the same counsel complains that the court below

“dismissed from consideration all parts or elements of the plaintiff’s assemblage save and except the reflector in connection with the attendant heater element, and then deduced the conclusion that the defendants’ reflector with a longitudinal arrangement of heater element presented a different appearance from the plaintiff’s reflector with a transversely arranged heater element.”

On page 11 of his brief in 3618 the same plaintiff’s counsel attempts to discard the Warner device as an anticipation because of the difference in the heater element, which he describes as

“its large circular metal grid work, and electric light bulb in the center of the bowl.”

Where does plaintiff’s counsel stand? If as he seems to say in one place, the heating element is not a part of the design, then we must compare the Warner patent without the heating element with the plaintiff’s device without the heating element. No ordinary observer could distinguish between these two devices under these conditions.

The record in No. 3616 contains the testimony of Mrs. Lebatt, a personal friend of Mr. Brown, who

never purchased or owned one of these devices (page 54), and of Mr. Hiller, who manufactured the devices for the plaintiff. This testimony of course has no bearing on the case of Holbrook, Merrill & Stetson, involving the Simplex heater, and does not appear therein. We fail to see, however, any significance favorable to the plaintiff in this testimony. If this is the best that plaintiff can do after selling between 100,000 and 400,000 of its heaters, that fact alone is significant. The thing of some materiality is that all that Mrs. Lebatt can emphasize is the matter of the heating element. That seemed to impress her as a distinguishing difference, and throughout her brief testimony, she repeatedly refers to it. There is no doubt but that the element, occupying as it does the center of the reflector toward which the eye is irresistibly drawn, is a noticeable feature, and readily distinguishes the two devices. *

If the heating element is a part of the design, then it is a very prominent and characteristic part, and the difference between the plaintiff's type and the defendants' type is a distinguishing difference.

This is what the court below correctly held:

"In its more conspicuous features the plaintiff's design also closely resembles the Warner device, the parabolic 'Simplex' and the 'Ferranti Fires'. If it be said that the element in the Warner heater distinguishes its general appearance, the answer is that, as already noted, such distinction also exists between the plaintiff's designs and the alleged infringing devices."

THE SECOND DESIGN PATENT, No. 51,253.

Little need be said specifically with reference to this patent involved in No. 3618, and in the suit against Holbrook, Merrill & Stetson, now awaiting trial in the court below.

The record in this case, so far as the testimony is concerned, is made up entirely of excerpts from the testimony in the other two cases, and no additional testimony was offered by either party.

It does not appear when and to what extent, if ever, the plaintiff manufactured and sold the particular heaters offered in evidence by plaintiff's counsel (Record 3618, page 37) without identifying or supporting testimony, and it is quite immaterial. This second design patent, 51,253, is, we submit, clearly invalidated by the earlier Majestic No. 2, or Shoenberg heater, samples of which are in evidence, and a number of which are excellently depicted in the photograph of the Majestic Company's exhibit at the Panama Pacific Exposition, "Defendants' Exhibit E".

This patent is but another regrettable example of the careless practice of the Patent Office in granting design patents so forcefully characterized by the Circuit Court of Appeals for the Second Circuit in *Rowe v. Blodgett*, 112 Fed. 61, as "not only liberal, but lax".

In addition, we submit the obvious proposition that it is impossible for the single structure of heater of either defendant to infringe two separate and distinct design patents which relate to the entire device.

Each of these design patents is for the shape or configuration of the entire heater or heater casing. This is not the case of two design patents, each directed to a different feature, as, for example, one to the shape of the reflector, and the other to the shape of the base, but this is a case where a single concrete device is alleged to infringe two separate and distinct design patents, both for the entire device or casing.

We respectfully submit that to state this proposition is to refute it. The axiom, "two things equal to the same thing are equal to each other" applies.

But we respectfully submit this second design patent is correctly and effectually disposed of by the court below when in its opinion it said:

"Indeed, it is difficult to perceive upon what basis a claim of patentable novelty for No. 51,253, the design without the annular flange, can be predicated. The casing shown is simply a reflector of the most familiar type, old in the art, and without novelty either in configuration or feature. True, upon placing the device of this design as actually manufactured side by side with the heater actually manufactured by the plaintiff under the Shoenberg patent, we have a substantial contrast in appearance, but the contrast is of material, color, and size, and not of form. Make both of the same size and finish them both in nickel or copper, and we have similarity instead of contrast. Who, without having the specific object in mind, would, after observing with reasonable care the drawing of patent 51,253, and thereupon being handed a photograph of the plaintiff's exposition exhibit, say with confidence that the device covered by the drawing is not shown in the photograph? The point is that in the absence of contrasting color or size there is a striking similarity in general appearance."

IN CONCLUSION.

We have thus at some length discussed the questions brought before this court by the appeals in these three cases, in the final outcome of which Holbrook, Merrill & Stetson are vitally interested for the reasons which we have set forth.

When all has been said, however, we can add little in substance to the carefully considered opinion of Judge Dietrich, dismissing the bills of complaint in these three cases and in the case against Holbrook, Merrill & Stetson. Judge Dietrich heard all the evidence and saw the witnesses, gave painstaking consideration to all of the cases, and dismissed the bills.

We respectfully submit for the reasons fully set forth in the opinion of the court below, and we trust helpfully amplified in the foregoing brief, that the decree in each case should be affirmed, with costs to the appellee.

Dated, San Francisco,

March 5, 1921.

NATHAN HEARD,

SAMUEL KNIGHT,

KNIGHT, BOLAND, HUTCHINSON & CHRISTIN,

Of Counsel for Holbrook, Merrill & Stetson,

Amici Curiae.

Nos. 3616, 3617, 3618

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant.

VS.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,

Appellee.

APPELLANT'S REPLY BRIEF.

[Filed by leave of court granted at the oral argument.]

JOHN H. MILLER,

Solicitor for Appellant.

FILED
MAR 8 1916
P. D. MURPHY

Nos. 3616, 3617, 3618

IN THE

United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant.

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY,

Appellee.

APPELLANT'S REPLY BRIEF.

[Filed by leave of court granted at the oral argument.]

Preliminary Objection.

At the oral hearing appellee's counsel handed up to the court a portfolio containing what he said was photostat copies of "the exhibits in the case". In that portfolio are what purport to be photostat copies of an *English patent No. 12,320 to Kempton*, and also an *English patent No. 102,070 to Taylor*. We protest this procedure because neither of said English patents was offered in evidence in these cases. Neither one is an

exhibit, and appellee's counsel has no right to hand up to the court copies of said patents and ask this court to give consideration to the same when rendering its decision.

We pointed out at the oral argument the injustice to us which would arise from such a course. If these English patents had been put in evidence at the trial we would have been entitled to meet them by counter-evidence, and that we surely would have done; but inasmuch as they were not put in evidence, we did not meet them by any counter showing. We would have specially made a counter showing in respect of the Taylor patent by carrying the date of our invention of the second design patent back of the date of the Taylor patent, and that would have nullified the effect of the Taylor patent; and as to the Kempton patent, we could have countered by showing that it related only to a gas stove made stationary in a fire place and did not relate to an electric heater at all, much less to a portable electric heater of the character involved in this case, and that it had neither the appearance nor function of Brown's heaters.

The inclusion of these two patents in these cases by the lower court is one of the errors of which we complain. That they were both considered by Judge Dietrich to be of controlling effect is apparent from the face of his opinion.¹ In that opinion (page 28 of the record, case 3616) it is said:

“But aside from the Shoenberg patent, the principle is clearly disclosed in the earlier patents and in the prior

art. In English patent No. 12,320, Kempton claimed that by the use of a reflector of 'parabolic or conical shape', located in a fireplace or in open space, for the purpose of throwing the heat into the room, gas could be used for heating purposes as cheaply as coal. He shows a gas jet in the same relation to the reflector as here the resistance coil."

Also at page 29 of the same record appears the following:

"Material also are the Warner patent * * * and the Taylor patent of November 16, 1916 (English, No. 102,070)."

Also at page 32 appears the following:

"Moreover the design is almost identical with that shown in Figure 1 of the Taylor patent above referred to (English patent 102,070). Substantial identity is expressly conceded by counsel for the plaintiff, who, however, contests the priority of the Taylor patent. It is true that while this patent was applied for on January 11, 1916, it was not finally issued until November 15, 1916. It is further true that Brown's 'invention' as disclosed in his mechanical patent and his design patent 51043 (covering the annular flange) was made as early as April, 1916, although the patents were not applied for until the following year. But if there is any evidence that the design invention of 51,253 antedates the application, which was filed July 10, 1917, it has escaped my attention. It is not without significance that in the application for the Taylor patent, made before any of the Brown 'inventions', the applicant carefully limited her claim with the explanation that she was 'aware that it is not broadly new to construct an electric radiator with a resistance wire wound spirally upon a tubular member of refractory material, such resistance element being mounted in front of a reflector, with a protecting guard in front of the element'."

It must be apparent from the foregoing excerpts that the Kempton and Taylor British patents had a material effect upon Judge Dietrich's mind and that his conclusion was largely influenced thereby, notwithstanding the fact that neither of said English patents was in evidence in these cases against Westinghouse.

And we again call the court's attention to the statement of Judge Dietrich that "substantial identity is expressly conceded by counsel for plaintiff, who, however, contests the priority of the Taylor patent". This is misleading. That concession was *not* made in the Westinghouse cases. It was made only in the Holbrook, Merrill & Stetson case in respect of our first design patent, No. 51,043, and then its effect was nullified in that case by carrying the date of Brown's invention back of the date of the Taylor patent.

There was no such procedure followed in the Westinghouse cases, nor was there any occasion for such procedure, and that for the simple reason that the English patent was not in evidence in the Westinghouse cases. Yet the opinion of the lower court in respect of our second design patent, 51,253, charges us with having conceded its substantial identity with the Taylor English patent without having carried the date of our invention back of the English patent, and when we reach this court we are confronted with that supposititious situation with no means for meeting it. This is clearly an injustice to us. Every litigant is entitled as of right to meet the evidence of his adversary

by a counter-showing. Yet this privilege is denied us, if the English patent is to be considered.

It is argued in appellee's brief that Judge Dietrich by reference made these English patents a part of the instant case. But this is just what we complain of. The learned judge of the lower court had no authority to make these English patents "a part of the instant case". We think for this error alone, if for none other, the decrees in these cases must be reversed.

As further showing error in this behalf, it is to be noted (page 32 of the record, case 3616) that the lower court gave effect to the Taylor English patent as of the date of its application, to wit, January 11, 1916, instead of limiting it to its date of issuance, to wit, November 16, 1916. *This is a plain and palpable error.* Under the statute, English patents are effective against an American patent only as of the date of the issuance of the English patent and cannot be carried back to the date of the application. It was so held by this court in *Perfection Disappearing Bed Co. v. Murphy Wall Bed Co.* (262 Fed. 698, 700), following *Bates v. Coe* (98 U. S. 31), and *Dubois v. Kirk* (158 U. S. 58). That the lower court erred in this behalf seems plain.

As to Validity of the Design Patents.

In our opening brief we did not discuss the question of validity of our first design patent, No. 51,043, nor our mechanical patent 1,245,084, because we did not

consider that question to be before this court for review. The lower court did not find those patents invalid. It merely found that they were not infringed. We looked upon this as a holding, at least inferentially, that the patents were valid. Hence we refrained from discussing that question in our opening briefs in those cases. Counsel for appellee now attacks the validity of these patents. Hence we have obtained permission from the court to file this reply brief, and we entitle it in all three cases, discussing first the design patent and then the mechanical patent.

DESIGN PATENT 51,043.

The first ground advanced by appellee in this behalf is that every element of the design patent has a functional purpose and no other, and that no part of the structure can be omitted or changed without destroying its functional character, from which he concludes that the patent is invalid. In other words, it is asserted that the *form* of each element is purely functional, and that such *form* cannot be changed without destroying the function, from which it is insisted that the design is not the proper subject matter of a design patent.

This is an erroneous conception. It may be conceded that in order to produce a heater performing the utilitarian function desired, it is necessary to have certain generic elements, viz, a support, a reflector, a heater element, and a protective device in front of the reflector. Those are the *generic* elements of a portable

electric heater; but it is by no means necessary that those several parts must have the *specific form* disclosed by the plaintiff's design. The distinction is between the *generic* form and the *specific* form. Plaintiff's design does not undertake to cover the generic form; it covers only the specific form. *That specific form* produces a certain appearance of pleasing aspect, and it is that appearance which is covered by the design patent. Defendant has adopted our specific form, or a colorable imitation thereof, and that is our complaint.

Our specific form consists of a substantial circular base plate, an upright standard extending from the center of the base plate, a concavo-convex reflector of parabolic or substantially parabolic contour, a cylindrical tubular heating element arranged as near the focus of the reflector as is possible, and a protective cage of arched guard wires extending from the rim of the reflector and meeting at a central point in front, thereby producing a distinctive appearance.

The defendant has adopted all of these forms, or merely colorable imitations thereof. He has adopted the identical form of circular base plate, even simulating the color. He has adopted the upright standard positioned in the center of the base plate, though he had added thereto a U-shaped yoke at the top of the standard, which U-shaped yoke, however, is not seen from a front view of the heater, but is concealed from view back of the heater.

He has adopted substantially the same form of reflector, the only change in that behalf being that instead of making it mathematically parabolic he has made it hemispherical; but this difference cannot be detected by the eye and the appearance of the two is identical.

He has adopted the same form of electric heater element as ours arranged as near to the focus as is possible, and has merely changed it from the horizontal to the longitudinal position.

And finally he has adopted the same form of protective cage, consisting of guard wires arched over the front of the reflector.

He could have adopted a different form of base plate and standard without impairing the functional utility of those devices. For instance, he could have used the four-legged stand and ornamental support shown in defendant's exhibit 8 (Plexsim Heater); or that shown in defendant's exhibit 12 (Ferranti Fire); or that shown in his own Geiger patent, defendant's exhibit G; or he could have used an ordinary tripod; or a square base plate; or the triangular base plate illustrated in one of the devices exhibited at the oral argument, or the differently shaped and fluted base plates of some of the illustrations exhibited at the oral argument; or a fluted Greek column as shown in the Majestic Device No. 2; or any one of the hundreds of different forms of base plate and supports known to the prior art in other connections. But instead of adopting any of these, he adopted the identical specific form of base plate of the plaintiff, even simulating the color.

As to the heater element, he might have adopted other forms shown in the prior art, such, for instance, as a pyramidal form, or elliptical form, or circular form. But instead of so doing he adopted the same form as that shown by the plaintiff, to wit, the cylindrical tubular form, varying from the patent only in the matter of its inclination.

As to the protective wire cage, he could have adopted the flat wire mesh screen shown in defendant's exhibit 8 (Plexsim Heater); or the double curved form shown in defendant's exhibit 9 (Plexsim); or the flat wire forms shown in defendant's exhibit 15 (Wm. Porter Sons Co. and Benjamin Electric Co.); or the flat wire mesh screen shown in the Morse patent, defendant's exhibit F; or he could have dispensed with the wire cage entirely. If he had used any of these prior forms, he would still have preserved the functional utility of the device, though it would have presented an entirely different appearance. But instead of adopting any of these prior forms he adopted the same form of arched wire guard shown in the plaintiff's patent, and by so doing he reproduced the same general appearance of the device as that shown by the plaintiff's patent.

It is the use of these specific forms that we complain of as infringement of the design patent.

We are not unmindful of the fact that the defendant has changed the flat flange around the rim of the reflector to the form of a curved flange and has changed the inclination of the heater element, but we insist that

these changes have not produced a change of appearance sufficient to avoid infringement; and in that behalf we rely upon the evidence in the case, to wit, the testimony of witnesses Labatt, Hiller, and Wentworth.

MISAPPLICATION OF A RULE OF CONSTRUCTION.

And on this particular point we again reiterate that both the judge of the lower court and the counsel for appellee in this court have applied as a rule of construction to this design patent a rule applicable only to the construction of a mechanical patent. That rule as applied to mechanical patents is that where a defendant has omitted one of the elements of the patented combination without the substitution of a mechanical equivalent, he breaks the combination and does not infringe. The rule is too familiar to require the citation of authorities. But this rule is not applicable to design patents unless the omission of the element produces a different appearance of the article as a whole. In the case of a design patent, if omission of one element or part produces a different appearance of the article as a whole, then the rule applies and there is no infringement. But if the omission of that element does not produce a different appearance of the article as a whole then the rule does not apply, and infringement follows. In other words, in the case of a design patent the omission of one element of the design does not avoid infringement where such omission does not change the distinctive appearance of the design as a whole.

In this case the appellee says one of the elements of the first design patent is the flat annular flange; the appellee has omitted that flange; therefore, there is no infringement. If this rule had been applied to a mechanical patent, the argument would be sound; but it is here sought to be applied to a design patent, and in such case the additional question must be asked, does the omission of the flat flange produce a different appearance of the article as a whole from that of the patented design? If this question be answered in the negative, then the omission of the flat flange is immaterial. Here is where the learned judge of the lower court made the error. He held that the omission of the flat flange *ipso facto* avoided infringement just as in the case of a mechanical patent. But the crucial question is, does the omission of the flat flange produce a different appearance of the article as a whole? That the answer to this question must be in the negative is shown by the testimony of Labatt, Hiller, and Wentworth.

“Details in the matter and manner of construction of a design patent are unimportant except insofar as they enter into the ordinarily observant man’s conception or impression of the whole design. It is the picture made upon his mind in general, which governs, not the minor differences which close examination would reveal, nor those which might catch the scrutinizing eyes of an expert.”

Bolte v. Knight, 180 Fed. 415.

“It is by no means necessary that the patented thing should be copied in every particular. If the infringing design has the same general appearance, if the variations

are slight, if to the eye of an ordinary person the two are substantially similar, it is enough. It is of no consequence that persons skilled in the art are able to detect differences. Those who have devoted time and study to the subject, who have spent their lives in dealing in articles similar to those in controversy, may see at a glance features which are wholly unimportant and unobserved by those whose pursuits are in other directions, and who are attracted only by general appearances. If the resemblance is such that a purchaser would be deceived, it will not aid the infringer to show that he has deviated slightly from a straight line in one place and from a curved line in another, or that he has added or omitted something which an expert can discover."

Tomkinson v. Willets, 23 Fed. 895.

In *Redway v. Ohio Stove Co.*, 38 Fed. 584, the design was for a cooking stove embodying a collection of different features, and among them a representation of a bird and a butterfly. These latter features were omitted from the defendant's stove. In holding infringement the court said, at page 584:

"The defendant's design omits the bird and the butterfly, and in other but minor details is different from the complainants', but the general appearance and effect of the two are the same, and bring the defendant's design clearly within the rule laid down in *Gorham v. White*, cited *supra*. The Supreme Court say in that case that the acts of congress which authorize patents for design contemplate not so much utility as appearance, and that 'the law manifestly contemplates that giving certain new and original appearances to a manufactured article may enhance its salable value, may enlarge the demand for it, and may be a meritorious service to the public. * * * Manifestly the mode in which these appearances are produced has very little, if anything, to do with giving increased salableness to the article. It is the appearance itself, therefore, no matter

by what agency caused, that constitutes mainly, if not entirely, the contribution to the public which the law deems worthy of recompense. The appearance may be the result of peculiarity of configuration, or of ornament alone, or of both conjointly, but, in whatever way produced, it is the new thing or product which the patent law regards'. Now, add to this the further consideration taken from the decision of the court in that case, that 'the purpose of the law must be effected, if possible; but plainly it cannot be if, while the general appearance of the design is preserved, minor differences of detail in the manner in which the appearance is produced, observable by experts, but not noticed by ordinary observers, by those who buy and use, are sufficient to relieve an imitating design from condemnation as an infringement', and we are forced to the conclusion that the omissions and changes in the design as used by the defendant do not relieve it from liability as an infringer, nor does the fact that it used its own name and the name of its own stove, conspicuously displayed, in connection with the design."

In the case of *George Borgfeldt v. Weiss*, 265 Fed. 268, the patent covered a doll having a bathing cap on its head. Defendant's doll omitted the cap. Here was a case of omission of an element. Infringement was decreed. Pictures of the two dolls are shown at page 270 of the report. If Judge Dietrich's decision is good law, then there would have been no infringement in the doll case.

ALLEGED WANT OF INVENTION IN DESIGN PATENT 51,043.

It is urged by appellee that the first design patent is void for want of invention in view of the prior art "because the design of the patent in suit embodies

only what was taken from a well developed prior art” (Appellee’s brief, p. 43).

This means that each element of the patented design was taken from the prior art, one element from one source and another from another source, and so on. But this does not necessarily render the patent invalid. Brown was entitled to borrow all the elements from the prior art, and to assemble them together into a new collocation. If such new assemblage produces a new appearance, then the patent is valid, notwithstanding the fact that each individual element was old.

At page 24 of appellee’s brief, it is admitted “that no one of the defendant’s exhibits discloses all of the features of the patented design having the same co-operative relation as is there set forth”. This concession is fatal to the appellee, because it admits that Brown made a new assemblage of elements. That is what the design statute protects, and it is idle for appellee to argue that the patent is void because all of its elements individually and in different locations were old. Does he pretend to say that a combination of old elements is not patentable? It would so seem from his brief.

QUESTION OF INFRINGEMENT OF DESIGN PATENTS.

The main contention of our adversary on this point is that such resemblance as exists between the heaters of plaintiff and defendant is that resemblance only which arises from functional characteristics. In other

words, it is contended that all portable heaters "look alike" from a generic point of view. To use the exact words, the brief says at page 34:

"The defendant's heater resembles the plaintiff's heater only because they both embody the same number of main elements or features having the same general arrangement and substantially the same color."

This argument is not sound. We are not complaining of the defendant's heater because it has "the same number of main elements or features having the same general arrangement and substantially the same color", that is to say, because it has the same *generic* elements. What we are complaining of is that the defendant's heater embodies the same *specific form of elements*, or colorable imitation thereof, covered by the plaintiff's patent, thereby producing the same general appearance.

Right here lies the crux of the whole controversy. Defendant had the right, without infringing, to use the same number of generic elements or features, possessed of the same functional characteristics as those of the plaintiff; but the defendant did not have the right to adopt the *specific form* of those elements covered by the plaintiff's patent whereby a distinctive appearance of the article as a whole is produced.

To lose sight of this distinction is to ignore the fundamental character of a design patent. Strictly speaking, there is no such thing under the law as a generic patent for a design. A patent for a design is

necessarily specific, and the distinction existing between generic and specific inventions as applied to mechanical devices is unknown to the law of design patents. This necessarily results from the fact that a design patent covers only *the appearance* of an article, and cannot be infringed unless that appearance is reproduced by the infringing structure. We repeat that every design patent is necessarily specific, and, therefore, when considering such patents the court is relieved from considering any of those rules of construction applicable to generic and specific claims in the matter of mechanical patents. Every design patent which is without a specification covers only what is shown and illustrated in the drawing, or colorable imitations thereof. Therefore, the question here, is not whether the two heaters are generically alike, nor whether they contain the same number of main elements having the same general arrangement, but the question is whether they have *the same specific features* and *produce the same general appearance to the eye of an ordinary observer*.

POLISHED COPPER REFLECTOR.

It is further insisted by our adversary that the similarity of appearance between the heaters is due to the polished copper reflector, and that feature is the main, if not the only, cause of similarity in appearance. This is purely the opinion of appellee's counsel. It may be conceded that the copper reflector contributes to the

similarity. But it is not the sole contributing cause. The other features play an important part, and especially is this true of the protective cage made of arched guard wires. That feature gives as much of a distinctive characteristic to the article as does the copper bowl. The defendant could easily have avoided this by adopting some other form; but instead of adopting some other form he adopted the specific form shown in the plaintiff's patent. And the same may be said of the circular base plate. It was not necessary to the functional utility of his device that he should have adopted these specific forms. He could have adopted other forms producing the same functional utility and at much less cost of manufacture. It is apparent to any one versed in such matters that the cost of the arched wire form is greater than the cost of some other form, such, for instance, as a flat wire screen, or four strands of wire disposed flatwise across the mouth of the reflector. Why did the defendant decline to adopt one of these cheaper forms, which would have produced the functional utility he desired, but instead thereof adopted the more expensive complicated and ornate form of arched guard wires? We insist that the protective cage of arched guard wires is one of the material contributing factors in the general appearance of the article, as much so in fact as the copper reflector, and that in adopting that form, together with the other similar features defendant has produced a heater having the same general appearance as that of the plaintiff.

Reply to the Amicus Curiae.

Hollbrook, Merrill & Stetson were permitted to file a brief as *amicus curiae*. On page 33 of that brief it is stated that a design patent must be the result of "inventive genius". If by that term is meant anything more than the faculty of invention in its lowest form, the statement is erroneous. In support of his assertion the *amicus curiae* cites the language of Judge Ross in the case of *Hammond v. Stockton Works*, 70 Fed. 716. But that language merely says that in the case of a design patent there must be the exercise of the "inventive faculty", and then says that this must be so because the statute so provides. There is certainly nothing in Judge Ross's opinion about "inventive genius."

On the other hand, in *Smith v. Stewart*, 55 Fed. 482, the opinion says:

"It would seem absurd to say that the designs covered by these patents, generally, exhibit the exercise of 'inventive genius', as the term is commonly applied to mechanical inventions."

And at page 483 of that decision it is said:

"The invention in the majority of patented designs is very small and of a low order. All the statute, as commonly interpreted, requires is the production of a new and pleasing design, which may add to the value of the object for which it is intended."

And the syllabus of the case says:

"The invention and novelty required in the case of design patents is very small and of low order, and differs from the novelty and invention required for mechanical

patents. All that the statute requires in the case of designs is the production of a new and pleasing design which may add value to the object for which it was intended."

Yet in that case the court sustained the patent and decreed infringement. And on the question of infringement the court said at page 483:

"Did the defendants infringe? They copied the rug literally except the border * * *. The common observer would not discover any difference between the plaintiff's and defendants' rugs, granting that the borders are dissimilar."

And in *Untermeyer v. Freund*, 37 Fed. 345, we find the following language:

"It is impossible to read the literature upon this subject without being convinced that the courts, though applying the same rules, have looked with greater leniency upon design patents than patents for other inventions. From the nature of the case it must be so. A design patent necessarily must relate to subject matter comparatively trivial."

And in *Gorham v. White*, 14 Wall. 525, the following language with reference to the design patent is used:

"To speak of the invention as a combination or process, or to treat it as such, is to overlook its peculiarities."

The *amicus curiae* also asserts that the design patent is invalid because its shape or configuration results from functional reasons and for a functional purpose, and that all the features of the design owe their shape or configuration to the functional purpose (pp. 33-5). This is a repetition of the error committed by appellee's coun-

sel and heretofore adverted to by us. We most emphatically deny that "all the features of the plaintiff's device are provided for and owe their shape or configuration to functional purposes (p. 35). We have already pointed out that the device has non-functional characteristics and that such non-functional characteristics produce the pleasing appearance protected by the patent. By this we mean that while the features of our design have functional utility, nevertheless the specific form of those features produces a patentable appearance. Our complaint is not that the defendant has adopted the generic features of our heater, but the specific features, and while he could have adopted other specific features differing from ours in form but accomplishing the same functional utility, nevertheless he adopted our specific form, or a colorable imitation thereof.

The *amicus curiae* grows tremendously excited over the case of *Ferd Messmer Mfg. Co. v. Pick & Co.*, 251 Fed. 894, and seems to think it is decisive of the question here involved. On page 895 of the citation is shown a cut of the design and it consists simply and solely of an ordinary glass tumbler provided with a circular bulge or ridge around the upper part and formed integral with the glass of the tumbler. The plaintiff had two patents on that insignificant device, one a mechanical patent and the other a design. The court held the mechanical patent valid and the design patent invalid. That portion of the opinion holding the design patent invalid comprises six lines at the bottom of page 896, and they read as follows:

“The bulge of the patented glass cannot be said to be ornamental within the meaning of section 4929 of the Revised Statutes (Comp. St. 1916, §9475). There is nothing in the bulge of the patented glass which would appeal to the esthetic emotions or to our idea of the beautiful. While the bulge may be new and useful, we cannot say that it has added anything to decorative art.”

How the *amicus curiae* can take any comfort from this decision passes our comprehension. It is merely a case where the court found as a fact that a certain thing was not ornamental. It is of no more value in the present case than would be the general assertion that sometimes the courts have held design patents invalid because they did not come within the purview of the statute.

Another case specially relied upon by the *amicus curiae* is that of *Kruttschnitt v. Simmons*, 118 Fed. 851, discussed at pages 43-4 of the brief. There the patentee took “plain sheets of aluminum”, which of course were old and well known in the art, and placed around the edge of such sheets an ornamental border of a specific form consisting of a “scrolled figure suggestive of a distorted Greek pattern having a mottled surface and a rectangular inner defining border line”. The defendant manufactured “bordered aluminum signs having patterns differing so widely from the patented design as not to infringe the same.” In other words the patent covered the border around the aluminum plate, and of course no one could infringe that patent without using that border or a colorable imitation thereof. Defendant used neither the specific border nor a colorable

imitation thereof. Therefore, he did not infringe because he had not used the thing patented. There is no difficulty about that case, because it was solely a question of fact. The patent was held valid, but not infringed.

The case has absolutely no bearing on any issue in the instant case; but we are grateful to the *amicus curiae* for citing it, because it fully sustains us in the contention which we have heretofore made in answer to the brief of appellee, and that contention is that there can be no such thing as a generic claim in a design patent which has no specification, and that the only claim which can be had in such case is necessarily a specific claim. In the case cited plaintiff sought to extend his patent to an aluminum plate having *any kind* of an ornamental border. In fine, he claimed a generic patent for a bordered aluminum plate without reference to the specific form of the border. The court denied him this, and held that his claim was confined to the specific form or character of border illustrated in his patent and that the defendant could use an aluminum plate provided it had *a different kind* of border. This is our precise contention. We make no claim to *generic* features, but only to *specific* features, and our ground of complaint is that the defendant has used those specific features or colorable imitations thereof.

We apprehend that the reason why the *amicus curiae* cited the aluminum sign case resides in the fact that the defendant's plates could be and were sold as and for the aluminum plates of the plaintiff. But this is

wholly beside the mark, because the defendant had not used plaintiff's invention at all. Defendant had not been sued generally for passing off his goods as those of the plaintiff, but he had been sued for using that invention. It became wholly immaterial, so far as the patent was concerned, whether the defendant's goods had been passed off as those of the plaintiff or not. For such a situation the law of unfair competition may apply, but not the law of patents. Indeed, the court held specifically that for the reason that the defendant had not infringed the patent, the familiar test of the eye of an ordinary observer could not be applied. Where no infringement exists, as a matter of fact, it is idle to discuss the tests of infringement where such infringement does exist. We submit that the aluminum sign case has no more bearing on the instant case than the bulge tumbler case.

In this connection the *amicus curiae*, with a singular disregard of consistency, cites the following language of this court from the case of *Zidell v. Dexter*, 262 Fed. 145:

"In a design invention which consists only of bringing together old elements with slight modifications of form, the invention consists only in those modifications, and another who uses the same elements with his own variations of form does not infringe, if his design is distinguishable by the ordinary observer from the patented design".

This is another and a positive and direct confirmation of our position. Our invention consists in bringing together old elements with such modifications of form as were deemed desirable or necessary for pro-

ducing a new and pleasing appearance. In the words of this court, "the invention consists only in those modifications". This is in accordance with the theory heretofore advanced by us that all design patents without a specification are necessarily specific in character. Of course, if another person "uses the same elements with his own variations of form, he does not infringe, if his design is distinguishable by the ordinary observer from the patented design". There could not be a better statement of the law. But where the defendant does not use "his own variations of form", but insists on using the plaintiff's variations of form, he comes directly within the purview of Judge Gilbert's language, and is an infringer. The defendant has used *our* modifications of form, indeed our specific form, in several particulars, the principal ones of which consist in the base plate with its upright standard to a certain point, the form of reflector, the form of tubular heating element, and the form of wire cage over the mouth of the reflector. The only variations of form which he has introduced consist of a different inclination of the heating element and the omission of the annular flange. But these variations of form, we contend, do not change the general appearance of the article at all, and that is the question to be answered by this court.

Another point made by the amicus curiae is that both the mechanical patent and the design patent are directed to the same device. In other words, Brown's heater No. 7 is protected both by a mechanical and a design patent. It would seem from the brief of the

amicus curiae that he challenges such procedure. While he does not assert directly, he seems to contend that an inventor cannot in any case have both a mechanical and a design patent for the same structure. To sustain him in that contention he cites the bulge tumbler case heretofore referred to. That case makes no such broad ruling. It does rule that in that particular instance the design patent was invalid, not however because of the existence of the mechanical patent, but because of the fact that the design as a design was not ornamental.

It is too well settled to admit of controversy that there is no inhibition against taking out both a mechanical and a design patent for the same structure in some instances. The books are full of such cases, and if the learned counsel for the *amicus curiae* were asked the direct question, he would undoubtedly answer it in the same way we have answered it.

Another point made by the amicus curiae, on pages 40-41 of his brief, is the assertion that the feature of these heaters which makes the impression on the mind is the copper bowl. He argues that the copper reflector is the dominant feature of the article and the thing which gives to the article its peculiar and distinctive appearance. On page 42 he says that the "copper colored glowing bowl is a vitally characteristic appearance factor". In fact he says that the copper reflector "pushes into the background all remembrance of minor details of shape or configuration" (p. 41).

And then with strange inconsistency he refers to the statement of this court in *Zidell v. Dexter*, that in a design patent, where there is no specification, it is impossible to tell what the inventor considered the prominent feature.

In respect of this situation we repeat what we have heretofore said in another portion of this brief. It may be true that the copper reflector is *one* feature which contributes to the general appearance; but it is *only one* of such features. All the other features likewise contribute to the general appearance, because it is the appearance of the article as a whole, which appearance is produced by a combination of *all* the features, that is covered by the patent. Is it not possible for the *amicus curiae* to get into his head the indisputable fact that in case of a design patent it is the *general appearance of the article as a whole* which is covered by the patent? It is impossible to pick out any one particular element and say that it produces the general appearance of the article as a whole. A design patent without a specification covers the general appearance of the article as a whole disclosed by the drawing, and it is idle to argue that any *one particular* feature of the drawing is the thing which produces the general appearance of *the whole*. Can a part be the whole of a thing?

In a decision of this court in *Zidell v. Dexter*, 262 Fed. 147, it is said:

“As already shown, we have no means of knowing which, in the mind of the inventor, was the predominant feature of his design”.

And so here we say there is no way of ascertaining whether any particular feature of the design was considered by the patentee to be the predominant feature, or, if so, what was that feature. All we know is that the patentee gathered together from the prior art all of the several features of his design, one from one source and another from another source, and combined them into one composite assemblage. Such a performance, says this court in *Zidell v. Dexter*, does not disprove invention.

Nor is it apparent what, if any, particular element of the design strikes the public as the predominant feature. One may be attracted by the copper reflector, another by the arched guard wires, or another by the form of the stand. By what authority, therefore, does the *amicus curiae* assert in his *ex cathedra* fashion that the predominant feature of the design is the polished copper bowl, which pushes into the background all the other features, and is *the* feature which gives to the article as a whole its distinctive and characteristic appearance? The argument evinces a total misconception of the theory and the nature of a design patent.

Another point made by the amicus curiae is that it is impossible for the single structure of heater of the defendant to infringe the two separate and distinct design patents which relate to the entire device. His argument is based on a mathematical formula and is in substance as follows: If the defendant's heater is equal to the first design patent and also equal to the second design patent, then it follows that the first design

is equal to the second design, because of the axiom that two things equal to the same thing are equal to each other. The *amicus curiae* may be a profound mathematician, but we venture to suggest that we are not discussing a question of mathematics. To say that defendant's heater is an infringement of the two design patents is not equivalent to the mathematical statement that "one thing is equal to another", nor is it equivalent to saying that the two designs are the same. Without question one structure may be an infringement of two patents, and that entitles the patent owner to sue on both patents. But it does not follow therefrom that the device of one of the patents in question is an infringement of the other patent, nor that the devices of the two patents are the same. The mathematical argument of the *amicus curiae* is, in our opinion, mere sophistry.

THE MECHANICAL PATENT.

Radiant Beam Principle.

It is urged by the appellee that this patent does not cover the radiant beam principle, but is limited solely and entirely to the two protective devices consisting of the dead air space in the rear of the reflector and the flat marginal flange around the rim of the reflector (appellee's brief, p. 8). In the brief of the *amicus curiae* the same position is taken, and at page 8, when referring to these two protective elements, it is asserted

"and they alone constitute the sole object and purpose of the alleged invention".

Inasmuch as claim 1 of the patent does not mention the dead air space, but does mention the other protective feature consisting of the annular member around the rim of the reflector, the position of our adversary is that in so far as claim 1 is concerned, the only novelty of the combination resides in the annular member, which he designates as "a broad peripheral rim or flange 3a" (p. 8, appellee's brief). In other words, the position is that Brown invented nothing more than a flat flange extending around the rim of the reflector.

This position is sought to be sustained (1) by reference to the patent itself and (2) by reference to the prior art. Permit us to briefly examine the matter from these two standpoints.

As to the Patent Itself.

The specification says, beginning at line 9, page 1:

"This invention relates to electric heaters in which the heat waves are generated by a resistance coil or heating unit and are then reflected from a highly polished surface."

And further along in the specification, beginning at line 24, it is said:

"The radiator comprises a concavo-convex reflector 1, having a highly polished inner surface, and which is secured by screws or in other suitable manner to an outer casing 3 mounted on a base 4. The heating unit consists of a resistance coil 6, wound upon a refractory tubular core or hobbin 7, supported in any suitable manner in spaced relation with the reflector 1, and preferably at the focus of its curved surface."

And further along in the specification, beginning at line 80, it is said:

“It will be evident that various changes and modifications can be made without departing from my invention.”

It is not difficult to gather from these excerpts that the patentee had in mind the radiant beam principle. The location of the heating unit preferably at the focus of the curved reflector necessarily implies substantial parallelism of the heat rays. Of course it goes without saying that in such a structure *all* of the heat rays will not be in exact parallelism because of the fact that the heating unit is of substantial dimensions, and, therefore, cannot be located in its entirety at the mathematical focus. But at the same time it is located as near the focus as is physically possible. In such a construction, while some of the rays will not be in exact parallelism, nevertheless it is a fact that the majority of those rays will be in parallelism. Consequently, we can say with truth, in the sense of the patent law, that the heat rays of this device are in substantial parallelism. The patent law does not call for mathematical exactness, nor indeed for any other kind of exactness, but only for substantiality. The only thing that can be charged against Brown in this connection is that he did not make as full and complete a disclosure of the radiant beam principle as his machine exhibits. But, as we have already stated in our opening brief, it was not necessary for him to disclose the scientific principle of his device at all. He might have

been wholly ignorant of it, or being cognizant of it, he might have refrained from discussing it in its fullness, and in this behalf we again call attention to *Eames v. Andrews*, 122 U. S. 55, and *Diamond Rubber Co. v. Consolidated Tire Co.*, 220 U. S. 435-6.

In the first of these cases the Supreme Court says:

“It may be that the inventor did not know what the scientific principle was, or that, knowing it, he omitted from accident or design, to set it forth. That does not vitiate the patent * * *. The principle referred to is only the why and the wherefore. That is not required to be set forth * * *. An inventor may be ignorant of the scientific principle, or he may think he knows it and yet be uncertain, or he may be confident of what it is, and others may think differently. All this is immaterial if by the specification the thing to be done is so set forth that it can be reproduced.”

And in the second of the cases cited the Supreme Court used this language:

“A patentee may be baldly empirical, seeing nothing beyond his experiments and the result; yet if he has added a new and valuable article to the world’s utilities, he is entitled to the rank and protection of an inventor. And how can it take from his merit that he may not know all of the forces which he has brought into operation? It is certainly not necessary that he understand or be able to state the scientific principles underlying his invention, and it is immaterial whether he can stand a successful examination. * * * He must indeed make such disclosure and description of his invention that it may be put into practice. In this he must be clear. He must not put forth a puzzle for invention or

experiment to solve, but the description is sufficient if those skilled in the art can understand it.

This satisfies the law, which only requires as a condition of its protection that the world be given something new and that the world be taught how to use it. It is no concern of the world whether the principle upon which the new construction acts be obvious or obscure, so that it inheres in the new construction."

The substance of these cases is that it was unnecessary for Brown to explain the radiant beam principle in his specification. That principle was "only the why and the wherefore". All that was required of him, and all that is required of any patentee of a mechanical device, is to disclose to the world how to build the machine, so that it may be put into useful practice. That Brown's specification fulfills this requirement cannot be doubted. It discloses to a person skilled in the art how to build the machine and put it into practice, and that is all that the law requires.

In support of their contention that the specification does not describe the radiant beam principle, our adversaries cite the following clause from Brown's specification:

"One of the main purposes of my invention is to provide an electric heater or radiator in which the highly heated portions are inclosed by protecting members, but one readily accessible for examination or repair."

And of this it is said on page 7 of the appellee's brief:

"This is a statement of the patentee's invention", etc.

This is entirely erroneous. The statement aforesaid is *not* a statement of the patentee's invention. It is merely a statement of *one* of the *purposes* of the invention. It was not necessary for Brown to have stated any purpose of his invention. The invention does not reside in its purpose. It resides in the mechanism itself. It is a familiar rule that a patentee is entitled to all the benefits and advantages to which his invention may be put, whether stated or not. For that reason the law does not require him to state the purpose of his invention. This is elementary.

In *General Electric Co. v. Bullock*, 152 Fed. 431, the Court of Appeals of the Sixth Circuit said:

“In a number of opinions of this court it has been held that it is not necessary for the patentee to describe in detail all the beneficial functions which he claims will result from his invention. It is enough if those functions are evident and obviously contribute to the success of the invention”.

In *Morgan Eng. Co. v. Alliance Co.*, 176 Fed. 107, where the court of appeals of the Sixth Circuit was referring to a certain purpose of the invention not mentioned in the specification, it was said:

“Even if the patentee at the time of making his application did not know of this advantage, or knowing failed distinctly to express it, he, in view of what he did state and show, is entitled to have his invention considered with reference to it. Indeed, the crane cannot be constructed and operated in accordance with the plain terms of his description without observing and securing this advantage. This alone is sufficient.”

Paraphrasing the language of that decision, we say of the Brown invention that the heater shown and described in the Brown patent cannot be constructed and operated without utilizing and securing the benefit of the radiant beam principle. Such utilization inheres in the mechanical structure itself.

And in the case of *Kellogg v. Dean*, 182 Fed. 998, the Court of Appeals of the Sixth Circuit said:

“It is objected that the advantage of avoiding side tones is not mentioned in the specifications. This is true. But this omission was not fatal if the advantage was necessarily achieved through the invention.”

Here too we may say that the advantage of the radiant beam principle is necessarily achieved through and by the mechanical structure shown in Brown's patent. The patent teaches the world how to build that structure and that is enough. The omission to mention the radiant beam principle specifically in his specification is of no moment whatever in the eyes of the patent law.

But furthermore, the statement quoted does not say that the protective feature is *the* purpose of the invention, nor the *only* purpose of the invention. It merely says that such feature is *one of the main purposes of the invention*. If there are any other purposes of the invention, the patentee is just as much entitled to them as though he had stated them *in totidem verbis*. These principles of the patent law are too well

settled to admit of question. And furthermore, we again call the court's attention to the following paragraph, beginning at line 80 of the specification:

“It will be evident that various changes and modifications can be made without departing from my invention.”

The position of our adversary comes down to this, that when Brown specified *one* of the purposes of his invention, he thereby limited himself thereto, and is not entitled to any other purpose for which the device might be used. This is an erroneous conception of the patent law.

As to the Prior Art.

It is next asserted that by reason of the prior art the patent in suit is necessarily limited, so far as claim 1 is concerned, to the protective device consisting of the annular member around the rim of the reflector. In other words, it is asserted that the radiant beam principle was old and well known at the time of Brown's invention, and all that Brown did was to utilize that principle in a form of mechanism containing the annular member. The contention is, so far as claim 1 is concerned, that Brown invented only said annular member and nothing else.

The prior art referred to consists of the Morse, the Geiger, the Warner, the Shoenberg and the Simplex patents, together with the English publications of the Ferranti Fires.

Of these the *Morse* patent is the first in point of time, it being dated March 3, 1908. That device has but little relevancy to the issue. As we have already pointed out, it was merely a cupping instrument used by physicians to concentrate heat on a particular part of the human body, as a substitute for the old style remedy of a hot brick or hot water bottle. In fact the specification states that it is for the same purpose as "a hot water bottle" (Spec. line 55). It is nothing more than a collector of heat. The very utmost that can be said of it is that it is a vague prophecy of what afterwards followed. It is no more pertinent to a subsequent successful device embodying the radiant beam principle than the prophecy of Mother Shipton would be as affecting the flying machine of the Wright Brothers. Prophecies are not inventions.

THE ART FOLLOWING MORSE.

The subsequent history of the art supports us in this contention, for the matter seems to have remained quiescent for many years.

The first pertinent subsequent patent was that of Shoenberg, dated September 1, 1914, more than six years after the date of the *Morse* patent. Then followed the Simplex English patent on September 4, 1914, four days after the Shoenberg patent; then the Warner patent, dated December 8, 1914, a little more

than three months after Shoenberg; and finally came Geiger on August 8, 1916.

It would seem, therefore, that these four men became active in this matter at very nearly the same time, one in San Francisco, another in England, another in Massachusetts, and another in the employ of the defendant at Pittsburg.

We are not unmindful of the fact that in 1912 and 1913 the British publications contained illustrations of the Ferranti Fire. But we do not consider that device as having a material bearing on the issue, because it was not a radiant beam heater, but a convection heater, used largely for cooking purposes.

We assert that this prior art is a substantial confirmation of our theory, and we assert most emphatically and without fear of successful contradiction, that not one of these prior devices discloses the radiant beam principle in a concrete and successful form. The utmost that can be said of them is that they disclosed a conception of the desirability of utilizing that principle, but the fact is that the mechanism they describe for that purpose is wholly and utterly insufficient to carry it out in successful practice.

SHOENBERG.

The Shoenberg patent, which may be considered the nearest approach of them all, does not project the

rays with any approach to parallelism, but scatters them around in all directions. The defendant's expert Beam states that it is the object of Brown's device "to project the heat from the reflector out in the room in the shape of a beam, as nearly solid as possible, without having those heat rays scatter around in other portions of the room, and for that reason they are generally designated by the trade as beam heaters".

Shoenberg's heater does *not* project the rays in the shape of a beam, but allows those rays to "scatter around" in all portions of the room. We illustrated this in our opening brief by a diagram of the Shoenberg heater opposite page 23. Counsel for both the appellee and the *amicus curiae* criticise that diagram by saying that it is incorrect and misleading in that the heat rays are there represented as proceeding from a single mathematical point. This criticism is wholly unjustified. That diagram illustrates ten rays, proceeding from ten different points on the outer surface of the heating element. It is quite true that those rays have been represented as being projected backward to a mathematical point in the interior of the heating element; but that does not mean that the heat rays emanate from that mathematical point. It merely shows that if the ten rays emanated from a single mathematical point, they would be reflected in exactly

the same way as they are shown to be reflected when emanating from the several points on the outside of the heater element as shown in the diagram. In other words, the projection or continuation of those rays back to the mathematical point was merely for illustrative purposes. No one having any intellectual powers at all would conclude from that diagram that we intended to assert that the heat rays there shown emanated from the said mathematical point. We submit, therefore, that the criticism on our diagram is wholly unwarranted. Indeed the criticism is so super refined that it reminds us of that vexed question of the medieval schoolmen as to how many angels can stand on the point of a needle. Have our mathematical friends allowed themselves to stray into the subtleties of scholastic disquisitions and become bewildered in the mazes of metaphysical jargon?

But the learned counsel for appellee has himself proved our contention in reference to the Shoenberg invention. On page 14 of his brief he has a diagram of the Shoenberg heater indicating the direction of the heat rays, in which he depicts 25 or 26 different heat rays, if we have counted them correctly. They are all shown as emanating from the outer surface of the heater element at different points, and wonderful to relate, the diagram shows that these rays "scatter around" with much more divergence than was shown

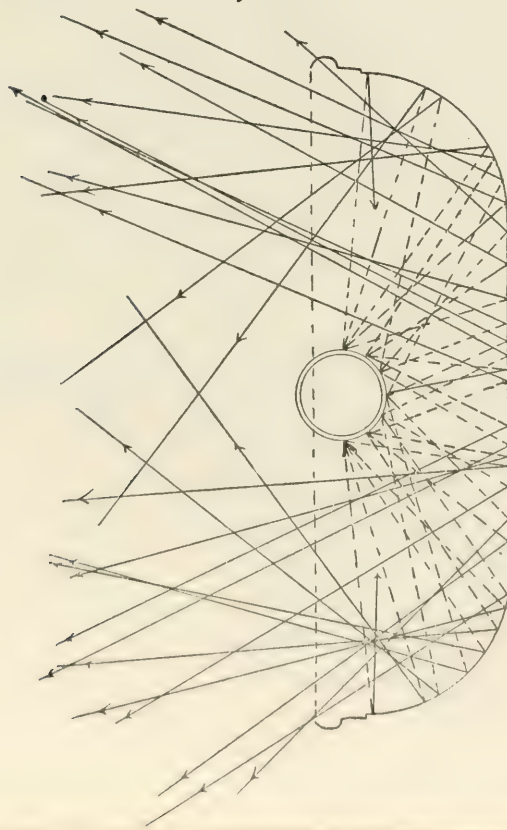
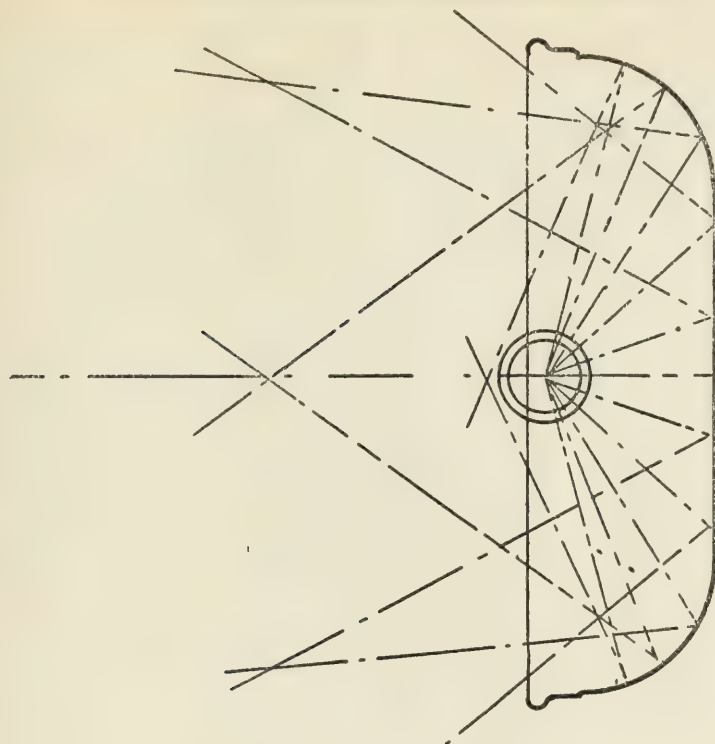
in our diagram. On the opposite page we reproduce our diagram from page 43 of our opening brief and appellee's diagram from page 14 of appellee's brief. A casual glance will show that our diagram is more liberal to Shoenberg than that of appellee. In appellee's diagram the rays "scatter around" more than in ours. This in confirmation of our contention regarding the Shoenberg heater. We feel grateful to the learned counsel for appellee in this behalf.

Furthermore, the history of the Shoenberg heater, represented by the early Majestic devices, is strong corroborative proof of our contention. Those devices were inefficient, and were abandoned immediately upon the advent of the Brown patented heater.

SIMPLEX PATENT.

The Simplex English heater stands in the same category as the Shoenberg. The utmost it shows is a conception of the desirability of utilizing the radiant beam principle. But it fails utterly to disclose a concrete device capable of successfully carrying that principle into practice. We have already argued this matter at length in our opening brief, and need add but little thereto. We venture, however, to reproduce on the

APPELLANT'S DIAGRAM—SHOENBERG HEATER

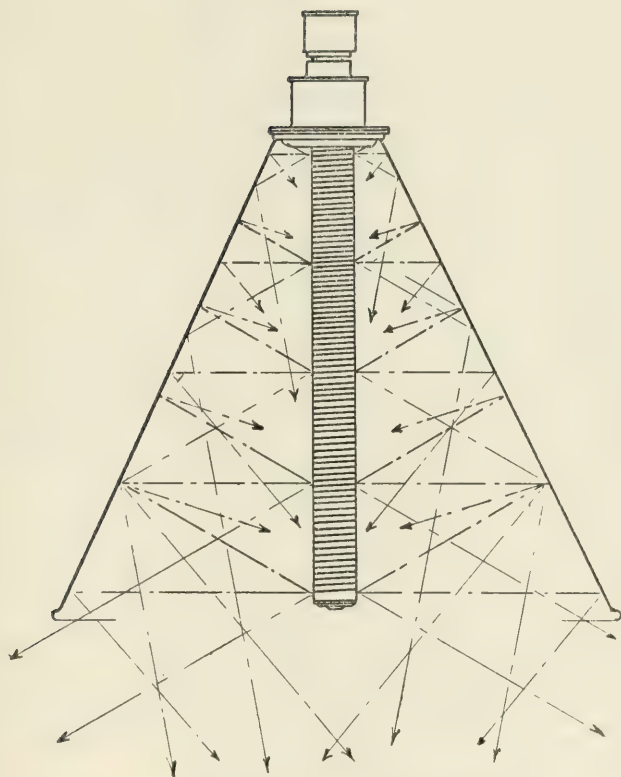


opposite page a diagram illustrating the operation of the heat rays in the English Simplex heater. It will be seen therefrom that these rays "scatter around" quite as much as in the case of the Shoenberg heater.

We also desire to make reference in this connection to the defendant's exhibit 8, which is a publication of the English Simplex heater in the "London Electrical Times". It is there called the "Plexsim Fire". In the first diagram eight heat rays are shown as being projected outward from the reflector in parallelism. The other rays, which will criss-cross each other as shown in our diagram, are not illustrated in the publication. In other words, the maker of this diagram seemed to have selected a small number of rays which would be in parallelism, and to have wholly disregarded the millions of other rays which would not be so projected but would criss-cross each other, and some of which would never get out of the cone at all. The majority of the others that would get out of the cone would "scatter around" in all directions. Therefore, according to defendants' expert Beam the Plexsim is not a radiant beam heater.

But the specific point we make in reference to this diagram of exhibit 8 is that it is wholly misleading, if it is intended to show that *all* of the rays emanating from the reflector will be in parallelism. In reference to this point we rely upon the testimony of plaintiff's expert witness, who says of this exhibit 8 at pages 110-11 of the record in case 3617:

"A. I certainly am. This reflector that you have referred me to, and particularly the diagram showing



SIMPLEX ENGLISH PATENT
No. 19971

the arrows indicating supposititious divergent rays, I will say that in all probability those specific rays will be thrown out from that form of reflector, and that form of heater, but that is about all of the rays that will be thrown out, a very, very small percentage of the total heat. The rays that come from every other point on that long heat-generating unit will be thrown at all kinds of angles, every possible angle. So that the actual rays which will emanate from there in an axial direction are but such a small percentage of the total that I am convinced more than ever that that form of reflector would be inefficient for the production of a beam. There is no question but that the man wanted to produce a beam, but he did not do it in this form of reflector, or in that form of heater. He would have to get up pretty close to that to feel the radiant energy. * * * It will probably generate as much heat * * * but that heat will not be directed in the form of a beam with a sufficient efficiency to warrant calling that form of heater a beam heater. It will get hot itself, it will heat air around it locally a little bit, and heat will be extending that way; but in the Brown form of heater, the idea was and the result was that a larger percentage of that heat is gathered and thrown out in the form of a beam as radiant energy. This diagram which you handed me is highly misleading; it is purely an advertising stunt; it is a salesman's idea of how to present a thing to the public and get them to buy, and I have no doubt he put it over. But it is as misleading as a diagram could be as regards the rays that emanate from the inside of that form of heater in action. * * *

It shows a total misconception of the construction of a reflector and a heat unit to produce a radiant beam."

We say of this English patent, with all the emphasis at our command, that if the inventor had the conception of the radiant beam principle, he did not embody it in concrete practical form so as to make it useful to mankind. Unsuccessful and inoperative devices are not anticipations. Where the idea of the patent in

suit is not present in the prior patent and readjustments and modifications are necessary to bring out the idea and to embody it in successful concrete form, there is no anticipation (*Mershon v. Bay City*, 189 Fed. 745).

WARNER.

The Warner patent stands on a more unsubstantial basis than even the Shoenberg or the Simplex, because that device is nothing more than a convection heater. Its purpose is to heat large volumes of air, which go out into a room and ascend towards the ceiling, thereby allowing fresh increments of cool air from the room to flow into the bowl, where they are in turn heated and discharged into the room. It is purely a convection heater, a hot air stove for heating an entire room.

Not only does the evidence show this, but there are many ear marks connected with the Warner patent sustaining the contention. The heating unit is shut up or inclosed within a housing, which separates it from the surface of the reflector, so that its heat rays cannot and do not reach the reflector. That heater element is not intended to become incandescent. It merely gets red hot. Nor is this heating element located near the focus. It is of circular form and is located near the rim of the reflector away from the focus. Again, an electric bulb is located in the center of the circular heating unit, presumably for the purpose of lighting up the structure. It is notable also that the reflector has no protective cage of arched guard wires over the mouth of the reflector.

This Warner heater is, as the specification says, a device "capable of readily heating large volumes of air, making it particularly useful for the heating of rooms".

We submit that the Warner heater has no relevancy to the issue here involved and fails utterly as an anticipation of Brown or even as a disclosure of the radiant beam principle in any form whatever.

GEIGER.

The only other patent relied upon is that of Geiger, dated, August 8, 1916. This patent is strong corroborative proof of our contention. It is the property of the Westinghouse Company, the appellee. That company essayed to market that device before the Brown patent appeared in the field. Consequently, it may be assumed that it represented the best efforts of its experts in producing an acceptable electric heater. Of course, it is ridiculous to assert that Geiger is an anticipation of Brown. What we understand counsel to assert is that Geiger illustrates the radiant beam principle. That appears to be the limit of the contention. But in that behalf we assert that in Geiger's case there will be no substantial parallelism of heat rays. On the contrary they will "scatter around" in all directions. This must be true because the reflector surface is of corrugated form. In order to illustrate the radiant beam principle, as we understand it, there must be a reflector answering to a mathematical for-

mula, that is to say, it must be of a concavo-convex form, which is to say that it must be either parabolical or hemispherical. Geiger's reflector does not answer these requirements. It is neither an anticipation nor a limitation of Brown.

The history of the device is further confirmation of our contention. If it illustrated the radiant beam heater and was a successful and meritorious device, why is it that the Westinghouse Company abandoned it and adopted their present form of heater, which does illustrate the radiant beam heater and which is successful in practice? The answer is plain. Brown taught them how to embody the radiant beam principle in a successful mechanical form, and they merely followed in the footsteps of Brown. We again insist that prior to Brown there was not any portable electric heater embodying in successful and practical form the radiant beam principle.

The situation is quite simple as to the facts. We catalogue those facts as follows:

1. PRIOR TO BROWN THERE WAS A LONG FELT WANT FOR A RADIANT BEAM HEATER.

2. OTHER INVENTORS, REALIZING SUCH WANT, ENDEAVORED BY VARIOUS AND SUNDRY FORMS OF MECHANISM TO SATISFY IT.

3. EACH AND ALL OF THOSE PRIOR CONTRIVANCES PROVED INEFFECTIVE AND WERE ABANDONED; NOT ONE OF THEM SURVIVED, AND THEY CONFERRED NO BENEFIT ON MANKIND.

4. BROWN SOLVED THE PROBLEM WHEN HE PRODUCED No. 7 HEATER EMBODYING THE RADIANT BEAM PRINCIPLE,

WHICH FILLED THE WANT OF THE PUBLIC AND WENT INTO IMMEDIATE AND EXTENSIVE USE THROUGHOUT THE CIVILIZED WORLD.

5. HIS PREDECESSORS, WHO HAD ESSAYED TO MARKET THE PRIOR DEVICES, ABANDONED THE SAME AND PROCEEDED TO MARKET IN LARGE NUMBERS PORTABLE ELECTRIC HEATERS OF THE SAME TYPE AND EMBODYING THE SAME PRINCIPLE AS THE BROWN HEATER.

In these circumstances Brown made "a distinct advance in the art", a substantial contribution to the world, and his patent is entitled to a liberal interpretation.

The following decisions of this court sustain us in our view:

Smith v. Seattle, 261 Fed. 85;

Stebler v. Riverside, 205 Fed. 740;

Letson v. Alaska Packers, 130 Fed. 140;

American Can v. Hickmott, 142 Fed. 144;

Simplex v. Hauser, 248 Fed. 924.

In *O'Rourke v. McMullin*, 160 Fed. 938, the Court of Appeals for the Second Circuit (Lacombe, Coxe, and Ward) said:

"The principal question in such cases is: Has the patentee added anything of value to the sum of human knowledge, has he made the world's work easier, cheaper and safer, would the return to the prior art be a retrogression? When the court has answered this question, or these questions, in the affirmative, the effort should be to give the inventor the just reward of the contribution he has made."

From a review of all the cases on this subject we think it safe to say if there is one controlling purpose deducible from these cases, it is the steadfast determination of the courts to protect and reward the man who has done something which has actually advanced the condition of mankind; something by which the work of the world is done better and more expeditiously than it was done before.

We think Brown comes squarely within the purview of these considerations. He undoubtedly did something which has contributed to the comfort of mankind, something which is an advance in the art, something which has proved to be of substantial and material benefit. A return to the prior art would surely be a retrogression.

Dated, San Francisco,
March 24, 1921.

Respectfully submitted,

JOHN H. MILLER,

Solicitor for Appellant.

Nos. 3616, 3617, 3618

IN THE
United States Circuit Court of Appeals
For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY (a corporation),

Appellee.

SUPPLEMENTAL BRIEF FOR APPELLEE.

(Filed by Leave of Court.)

WESLEY G. CARR,

DAVID L. LEVY,

WALTER SHELTON,

Solicitors for Appellee.

FILED

APR 15 1900

U. S. DEPARTMENT OF JUSTICE

IN THE
United States Circuit Court of Appeals

For the Ninth Circuit

MAJESTIC ELECTRIC DEVELOPMENT COMPANY
(a corporation),

Appellant,

vs.

WESTINGHOUSE ELECTRIC & MANUFACTURING
COMPANY (a corporation),

Appellee.

Nos. 3616, 3617, 3618

SUPPLEMENTAL BRIEF FOR APPELLEE.

(Filed by Leave of Court.)

At the conclusion of the argument of appeal No. 3617, counsel for appellant requested permission to file a reply brief directed to the matter of validity of the utility patent constituting the subject-matter of that suit, on the ground that the opening brief had been prepared with the understanding that Judge Dietrich had found the patent in suit valid but not infringed. This request was granted by the court and it is possible that counsel for appellant intended to and did also request permission to file a reply brief respecting the bearing of the prior art upon design patent No. 51,043 and that the court intended to, and did, grant such permission.

The reply brief filed by appellant's counsel recognizes no such limitation but discusses not only the matter of the validity of each of the patents just mentioned but sets forth, at length, his views as to infringement which the original or opening briefs purported to cover fully.

It is in view of the discussion of matters outside the proper and legitimate scope of the brief which counsel for appellant was granted leave to file that we now present this supplemental brief.

APPELLANT'S PRELIMINARY OBJECTION.

Respecting the objection by counsel for appellant to our presentation to the court of copies of British patent to Kempton No. 12,330 of 1848 and British patent to Taylor No. 102,070 of 1916, we emphatically disclaim any attempt to improperly influence the court in its decision by presenting such copies or any intent to place before the court material which may not properly be considered.

Because of the failure of appellant to reproduce the paper exhibits as parts of the printed record, we assembled three sets of copies of the defendant's paper exhibits for the convenience of the court during, and subsequent to, the oral argument and, inasmuch as Judge Dietrich specifically mentioned the British patents Nos. 12,330 of 1848 and No. 102,070 of 1916 in his opinion, we believed that the court might desire to examine copies of such patents in order to acquire a full and clear understanding of such opinion.

The copies of the British patents in question were not presented to the court as exhibits but merely as, in effect, parts of Judge Dietrich's opinion and without any expectation that the court would make use of such copies, except in so far as they might be found convenient for the purpose just stated.

As a matter of fact, the patents in question are not material to appellee's case, and our only reason for presenting any argument here with reference to them is to make clear to the court that we had no ulterior motive in making such comments as we have heretofore made or in presenting copies for the inspection of the court.

As was noted in our main brief, the Kempton British patent is of interest only as embodying a very early disclosure of a heater embodying a parabolic reflector.

The objection by counsel for appellant to consideration of the Kempton patent in these suits may be technically well founded because the patent was not actually offered in evidence in any one of them and, if the court deems it proper to disregard this patent upon such ground, we, of course, have no objection to make.

So far as the Taylor patent is concerned, counsel for appellant alleges that he might have antedated such patent by evidence of prior invention if the patent had been offered in evidence in case No. 3618. Whatever may be the fact in this regard, we consider the matter to be immaterial because the heater disclosed in the Taylor patent is the Majestic No. 3 heater (Defendant's Exhibit D) many, or at least some, of which were manu-

factured and sold more than two years prior to the date of application for the patent in suit.

The substantial identity, so far as configuration is concerned, of the device shown in the Taylor patent and the defendant's exhibit D is so obvious that what Judge Dietrich said with reference to the Taylor patent might just as well have been said with reference to that exhibit. Such being the case, the complaint made by appellant's counsel respecting Judge Dietrich's statement has form without substance.

Even though it should be held that it was error on the part of Judge Dietrich to make reference to the Kempton and the Taylor British patents, it is clear that such error was inconsequential.

Patent No. 51,253 was correctly held to be invalid. Whether the invalidating subject matter is identified as a heater or as the picture of a heater is of no moment.

INVALIDITY OF DESIGN PATENT No. 51,043.

So far as the matter of invalidity of design patent No. 51,043 is concerned, Judge Dietrich distinctly held that the structure embodying the patented design, as a whole and as regards all its elements, is intended and employed only for utility purposes and such holding was fully discussed by counsel for appellant in his opening brief.

The further discussion in appellant's reply brief is inconclusive and unconvincing.

The brief alleges that it is the specific form of the design of the patent in suit that produces a certain appearance of pleasing aspect and then alleges that defendant has adopted such specific form or “a colorable imitation thereof”. The brief then proceeds to specify the several elements of the device, *except the broad marginal flange which alone distinguishes the design from the prior Majestic devices (Defendant’s Exhibits B, C and D).*

Appellant’s counsel criticizes the appellee for adopting a circular base, an upright standard, a hemispherical reflector, a tubular, cylindrical heating unit and a cage of arched guard wires and, in that connection, alleges that appellee might have adopted some other form of base, some other form of standard, some other form of reflector, some other form of heating unit and some other form of guard.

Appellee admits that its heater might have been so designed as to embody elements having the forms suggested by appellant’s counsel if the suggestions had been made at a sufficiently early date but it presumably would not have done so because it had a wide range of choice within the prior-art field.

Appellee preferred the base and standard of the British patent No. 19,971 of 1913 to any of the several forms suggested by appellant’s counsel as available.

Appellee’s adoption of a spherically curved reflector, such as is shown in the Warner patent (Defendant’s Exhibit II), does not meet the approval of appellant’s

counsel but hardly constitutes a reasonable ground of complaint.

Just why appellee should have adopted a heater element of "pyramidal form, or elliptical form, or circular form", as suggested by appellant's counsel, when the element of the British patent No. 19,971 of 1913 and that of the "abandoned" Majestic devices were available is not clear, so long as the cylindrical form was preferred.

As regards the protective wire cage, the suggestions of appellant's counsel are not helpful at this time, but would presumably have been rejected if offered at a sufficiently early date to have made them available because appellee preferred—for *protective purposes*—the arched wire guard of the Porter patent (Defendant's Exhibit N) or that of the "abandoned" Majestic heaters (Defendant's Exhibits A, B, C and D).

Appellant's complaint of "the use of these specific forms" as infringing the patent in suit is, therefore, a complaint that the patent in suit is infringed by the prior art.

THE DESIGN IS SPECIFIC.

We agree that the design of the patent in suit is specific, and necessarily so, because it would not otherwise be distinguished, in any manner or degree, from the prior art of record.

It is apparent from the prior art and also from appellant's utility patent No. 1,245,084 that the design of appellant's No. 7 heater, if new at the time the first

sample was produced, was new only because of the broad marginal flange which constituted a part of the enclosing casing and extended outwardly from the margin of the reflector. This is mainly what the patentee Brown added to the No. 2 Majestic heater (Defendant's Exhibit B). It is true also that Brown made the standard shorter and larger in diameter, the reflector larger in diameter and provided it with a reflecting surface of burnished copper, but, notwithstanding the lengths to which counsel for appellant is willing to go for the purpose of attempting to demonstrate validity and infringement of the patent in suit, he hardly dares to go so far as to allege that decreasing the length and increasing the diameter of the supporting standard, enlarging the diameter of the reflecting bowl and providing it with a surface of burnished copper are such changes as produce a new and patentable design.

If the appellant's design is new, in any patentable sense, its novelty is dependent solely upon the marginal flange and, while it may possibly be true that, notwithstanding such marginal flange, appellee's design might be held an infringement if it had some equivalent part not found in the prior art, *there is no escape from the fact that the appellee has omitted the marginal flange of the patent and, instead of providing a substitute, has merely utilized prior-art material which was available for use without paying tribute to anyone.*

An infringing colorable imitation of a patented design must be colorable away from, not into, the prior art.

In order to establish both validity and infringement, the appellant is in a hopeless position. *The marginal*

flange must be included in order to impart validity and must be excluded or ignored in order to establish infringement.

SCOPE OF PATENT IN SUIT.

A producer of a design for an article of manufacture may be an originator or an improver. If an originator, the designer produces a new type of either form or ornamentation. If an improver, he modifies, adds to, or subtracts from, an existing type. In the present case, the patentee Brown was not and could not be an originator because several English designers, Warner and Shoenberg and others had preceded him in the portable, radiant, reflector-type electric heater field.

Inasmuch as the Majestic Company had developed, manufactured and sold heaters of the type in question long prior to the production of the design of the patent in suit and these heaters were well known to the patentee Brown, we may, for convenience, select the Majestic No. 2 heater (Defendant's Exhibit B) as a representative of the type and, with that as a starting point, determine what Brown designed as an improver.

First, he changed the dimensions of the reflector and the supporting stand, without materially changing the form of either, and made the reflecting surface of copper in place of nickel. Even appellant's counsel would hardly go so far as to claim that these changes involved invention, within the purview of the design-patent statute.

But Brown did something more than this—he *added a supplemental back or casing for the reflector and a flat peripheral flange—both for protective purposes—not for ornament.* The protective casing does not make a sufficient change in the contour of the device to make it a patentable modification of the design any more than do changes in the dimensions of the reflector and the supporting stand.

Whether the broad marginal flange is an ornamental feature, within the purview of the statute, may be open to question but, whatever may be the fact in this regard, *the flange is all that Brown added which can by any possibility make his design new in any patentable sense.*

NO MISAPPLICATION OF RULE OF CONSTRUCTION.

The appellant alleges a misapplication by Judge Dietrich and by counsel for appellee of the established rule of construction for determining whether a given design is or is not an infringement of a design patent. In this counsel for appellant is in error. It would unquestionably have been held by Judge Dietrich that, if the patentee Brown had been an originator of a heater of a new type, slight variations, or perhaps, even variations of considerable proportions, would not serve to relieve the appellee's device from the charge of infringement, but, in the case of an improver where the feature constituting the improvement which differentiates the design from prior designs of the same type is omitted by the alleged infringer, colorable imitations which dif-

ferentiate only in the direction of prior-art devices cannot be held to amount to infringement without ignoring the facts and all decisions of the courts which have construed the statutes and applied them to facts of like character and import.

No amount of argument can make the appellant's and the appellee's designs different from what they actually are and no amount of argument can make them alike unless the prior devices which are exemplified and disclosed in defendant's exhibits are ignored.

UTILITY PATENT.

Patent No. 1,245,084 has been so fully discussed in our main brief that further comment is unnecessary except to call attention to and emphasize the erroneous allegation on the part of appellant's counsel that the patentee was the first to produce a so-called beam heater. As a matter of fact, the theory that a substantially cylindrical beam of heat is produced by the patented device did not originate with the patentee Brown, but apparently had its origin in the mind of counsel for appellant or that of his expert witness Henry. Considered apart from the device itself, the theory is attractive but, as we have already demonstrated, at least one-half of the heat generated in the element of the Brown device is radiated outwardly through a very wide angle without impinging upon the reflector, and those rays which actually do impinge upon the reflector are reflected in various direc-

tions in such manner and to such degree as to disprove the beam theory.

It was quite proper that the patentee should not describe the production of a beam of heat, because any such exposition would have been without support in fact and could not by any possibility have enabled the patentee to secure a valid claim which omitted the only element that served to differentiate the structure from the prior art, namely, *the marginal flange as a protective device*, HAVING NOTHING WHATEVER TO DO WITH THE PRODUCTION OF A BEAM OF HEAT.

The Majestic Company manufactured and sold, in considerable numbers and over a considerable period of time, the 1, 1b, 2, 2b, 3 and 3b heaters and there is nothing in the record to show that these heaters were unsuccessful, although the record does show that the manufacture and sale of these heaters was abandoned in favor of the No. 7 heaters.

It is quite within the range of possibility, if not probability, that, if the reflector of the No. 2 heater had been enlarged and provided with a burnished copper surface, the demand which appellant's counsel alleges was satisfied by the No. 7 heater would have been met by such enlarged, copper colored device, even though the supplemental casing and its peripheral flange had not been added.

The allegation of appellant's counsel that other devices made by other manufacturers prior to the exploitation of the No. 7 heaters proved ineffective and were abandoned is a statement of conclusion, and per-statute

haps of belief, but is not substantiated by the evidence of record.

Dated, San Francisco,
April 12, 1921.

Respectfully submitted,

WESLEY G. CARR,

DAVID L. LEVY,

WALTER SHELTON,

Solicitors for Appellee. 51

